

AD-A111 756

NAVAL POSTGRADUATE SCHOOL MONTEREY CA
COAST GUARD COMPENSATION ALTERNATIVES.(U)
DEC 81 G K SOOY

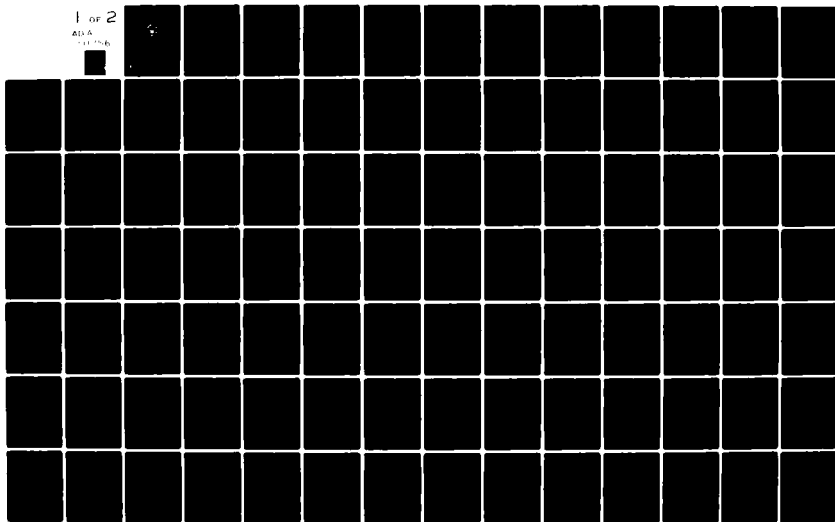
F/8 5/3

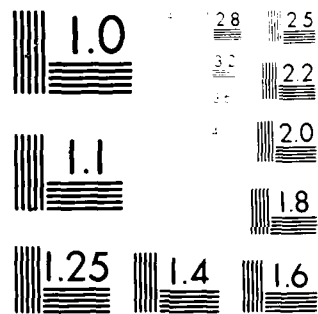
UNCLASSIFIED

NL

1 of 2

ADA
- (U) (S)





MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

2

AD A111756

NAVAL POSTGRADUATE SCHOOL

Monterey, California



THESIS

COAST GUARD COMPENSATION ALTERNATIVES

by

Gary K. Sooy

December 1981

Thesis Advisor:

Richard McGonigal

Approved for public release, distribution unlimited

DTIC FILE COPY

DTIC
ELECTED
MAR 8 1982

B

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER	2. GOVT ACCESSION NO.	3. RECIPIENT'S CATALOG NUMBER
	AD-A111756	
4. TITLE (and Subtitle)		5. TYPE OF REPORT & PERIOD COVERED
Coast Guard Compensation Alternatives		Master's Thesis December 1981
		6. PERFORMING ORG. REPORT NUMBER
7. AUTHOR(s)		8. CONTRACT OR GRANT NUMBER(s)
Gary K. Sooy		
9. PERFORMING ORGANIZATION NAME AND ADDRESS		10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS
Naval Postgraduate School Monterey, California 93940		
11. CONTROLLING OFFICE NAME AND ADDRESS		12. REPORT DATE
Naval Postgraduate School Monterey, California 93940		December 1981
		13. NUMBER OF PAGES
		118
14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office)		15. SECURITY CLASS. (of this report)
		15a. DECLASSIFICATION/DOWNGRADING SCHEDULE
16. DISTRIBUTION STATEMENT (of this Report)		
Approved for public release, distribution unlimited.		
17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)		
18. SUPPLEMENTARY NOTES		
19. KEY WORDS (Continue on reverse side if necessary and identify by block number)		
Military compensation Military fringe benefits Military housing Military pay Military medical care		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number)		
This thesis analyses the preferences of active duty Coast Guard personnel concerning the following areas of compensation - housing, government messing facilities, the commissary/exchange system, and medical care. Attitudes concerning a possible conversion from the present pay system to a salary system or a cafeteria-style compensation plan are also obtained. Data was provided by two survey documents. The first survey was administered service-wide in January 1980 to ascertain the housing		

situation. The second survey, which addressed the other areas of compensation under consideration, was distributed to a sample of 800 active duty personnel selected at random from the entire service. Results indicate a widespread desire for changes in the service's compensation system. As a whole, respondents desire more flexibility in the pay system to accommodate individual preferences for compensation in each area that was analyzed.

Accession	
NTIS	✓
DTIC	
Unann	
Justi	
By	
Distribution	
Available	Yes
Dist	Special



Approved for public release, distribution unlimited

Coast Guard Compensation Alternatives

by

Gary K. Sooy
Lieutenant, United States Coast Guard
B.S., United States Coast Guard Academy, 1973

Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL
December 1981

Author:

Gary K. Sooy

Approved by:

Richard G. L'Gonizal

Thesis Advisor

Reuben T. Harris

Second Reader

[Signature]

Chairman, Department of Administrative Sciences

W. M. Woods

Dean of Information and Policy Sciences

ABSTRACT

This thesis analyses the preferences of active duty Coast Guard personnel concerning the following areas of compensation - housing, government messing facilities, the commissary/exchange system, and medical care. Attitudes concerning a possible conversion from the present pay system to a salary system or a cafeteria-style compensation plan are also obtained. Data was provided by two survey documents. The first survey was administered service-wide in January 1980 to ascertain the housing situation. The second survey, which addressed the other areas of compensation under consideration, was distributed to a sample of 800 active duty personnel selected at random from the entire service. Results indicate a widespread desire for changes in the service's compensation system. As a whole, respondents desire more flexibility in the pay system to accommodate individual preferences for compensation in each area that was analyzed.

TABLE OF CONTENTS

I.	INTRODUCTION.....	7
II.	COMPENSATION POLICIES.....	11
	A. REQUIREMENTS FOR REWARD SYSTEMS.....	11
	B. PRESENT COAST GUARD COMPENSATION POLICIES.....	17
	C. A REVIEW OF THE LITERATURE CONCERNING MILITARY COMPENSATION.....	22
III.	METHODOLOGY.....	37
	A. SURVEY DOCUMENTS.....	37
	B. POPULATION SURVEYED.....	41
IV.	SURVEY RESULTS.....	43
	A. RESULTS FROM THE COAST GUARD COMPENSA- TION ALTERNATIVES SURVEY.....	43
	B. COAST GUARD HOUSING QUESTIONNAIRE.....	64
V.	ANALYSIS.....	88
	A. GOVERNMENT MESSING FACILITY POLICIES....	89
	B. COMMISSARY/EXCHANGE SYSTEM.....	90
	C. MEDICAL CARE.....	92
	D. GENERAL COMPENSATION ISSUES.....	94
	E. HOUSING POLICIES.....	97
VI.	CONCLUSIONS AND RECOMMENDATIONS.....	101
	A. POSSIBLE COMPENSATION CHANGES.....	101
	B. AREAS FOR FURTHER STUDY.....	103
	APPENDIX A: COAST GUARD HOUSING QUESTIONNAIRE....	104
	APPENDIX B: COAST GUARD COMPENSATION ALTERNATIVES.....	110

LIST OF REFERENCES.....	115
INITIAL DISTRIBUTION LIST.....	117

I. INTRODUCTION

The question of military compensation is a complex one and one that has received increasing attention in recent years. The compensation package as a whole is a major motivator for prospective volunteers. An individual's perception of the compensation package greatly impacts on the reenlistment decision. How much compensation is adequate to attract and retain qualified personnel is a vital issue for all the military services. The cost of the compensation package to maintain a standing peacetime force of two million volunteers is of vital importance to every tax payer in this country.

At present, military members are compensated using a system of pay and allowances. The compensation package includes basic pay, allowances for quarters and subsistence (either in kind or cash), medical care, commissary and exchange privileges, reenlistment bonuses, special hazardous duty pays, and retirement benefits. Basic pay is the same for individuals working in the same specialty in the same paygrade and with the same time in service. However, their utilization of the remainder of the compensation can vary depending on such factors as paygrade, occupational specialty-rate, marital status, time in service, number of dependents, his family's general health, his duty assignment, and his intentions of making a career of military service. Because of these factors, individuals who

are working side by side doing the same duties often receive drastically different levels of compensation and as a result have different perceptions of the adequacy of military compensation in general. These perceptions can then have a major impact on the individual's overall level of satisfaction with military service and their reenlistment decision. The policy of different pay for similar work raises an obvious question of the equity of the present pay system.

Another area of concern under the present system is that the compensation package has been developed by Congress over a great many years and by bits and pieces of legislation. It is definitely not part of some master plan to provide the best compensation system possible. The individual military member has little choice as to what benefits are available. Military medical care is prescribed for all members. Dependent medical care is only realized as a benefit if the member has dependents who require care. Often members can not choose between cash and in-kind quarters and subsistence allowances. The commissary/exchange system provides savings for the military consumer but may be located such that utilization of this benefit is inconvenient. The overall result is that individual members may discount the value of portions of the compensation package that they do not use or do not wish to use. As a result, monies spent to provide these benefits are in part wasted.

The present military pay system, as developed over the years, emphasizes the paternal responsibilities of the military to its

members. The pattern has been to pay a relatively low amount of military compensation in the form of cash and to provide the rest of the compensation as allowances in very specific areas. The implication is that the average service member could not handle his own affairs if paid a straight salary and given the option of picking specific benefits. At one time this policy fit the norms and expectations of society. My hypothesis is that as society has changed so has the desirability of having a rigid pay and allowances system. I feel that individuals would now prefer to have greater freedom in deciding where and how to utilize the moneys spent on them as compensation by the military.

The major thrust of this thesis is towards determining the opinions of a cross-section of Coast Guard personnel concerning certain specific compensation areas, i.e., medical care, housing and subsistence allowances, and commissary/exchange benefits. These benefits can be categorized as the military's fringe benefit package. The areas of basic pay, the bonus system, and the retirement system will not be addressed. The question of the appropriate level of compensation in any area will also not be addressed. Given the level of spending at present in the areas under study, the intent of this study is to determine the form of the benefit package that would maximize the value of moneys spent on compensation to current Coast Guard personnel.

The thesis will be divided into specific chapters. Chapter II will review the results and recommendations of the many pay

panels formed to review military pay in recent years. Chapter II will also review the literature concerning appropriate compensation packages for all organizations. Chapter III will discuss the methodology used to determine the opinions of a cross-section of Coast Guard personnel concerning the compensation areas under study. Chapter IV will set forth the overall distribution of responses from the responding population. Chapter V will analyze the results in an attempt to determine the population's preferences in specific areas of compensation. Chapter VI will attempt to draw conclusions concerning preferences for compensation alternatives and based on these conclusions, to make recommendations for possible changes to the military pay package.

II. COMPENSATION POLICIES

A. REQUIREMENTS FOR REWARD SYSTEMS

The purpose of any organization's compensation system is to attract and retain sufficient numbers of qualified personnel in order to insure the satisfactory completion of the organization's mission. From the organization's viewpoint, compensation levels and procedures should be fair to its members but also cost effective. [Ref. 1:357] Optimally, moneys spent on compensation should be allocated in such a way as to provide adequate levels of satisfaction for employees at minimum cost to the organization.

The satisfaction of individuals with the rewards received in a work situation depends on many different factors. An individual compares what he receives for his task to his expectation of what should be received. If the individual feels that his reward is too little, he feels dissatisfied and will terminate his employment if there is no prospect of changing his level of compensation. On the other hand, individuals tend to reevaluate upward the value of their services if their compensation exceeds their expectations. [Ref. 2:164]

Individuals also compare their compensation to the compensation received by other workers in similar jobs. This comparison can be made to employees within the same organization or with other organizations. An individual is satisfied if

his rewards are equal or higher than those received by others in similar circumstances. [Ref. 2:165]

Any wage structure sets up differentials in pay for employees if one level of employees is paid more than another level. The question of equity is involved in determining if the differences in pay are felt to be justified by the employees. Is one level more skilled and proficient in job performance? Does one level of employee have more responsibility for production than do other levels? For a reward system to be effective, the employees must judge the resulting pay differentials equitable. [Ref. 3:481]

Individuals also differ as to what specific rewards or combination of rewards is preferred or valued as compensation. Satisfaction depends on how closely an individual's desired form of compensation is met by the organization. [Ref. 2:165-166]

Studies have shown, for example, that married men do not desire more time off the job, while unmarried men do. [Ref. 4:17-28] Another study indicated that women value pay less comparatively than do men. Women were found to value work atmosphere more highly than pay. There is also evidence that emphasis on salary levels decreases as an employee gets older. [Ref. 5:47-48]

The result of differences in desires concerning pay and a general pay policy for all employees is that money is spent that is not valued by the recipients. Because it is not valued, the moneys spent will not serve to increase pay satisfaction

of the employees at all. The organization would therefore realize absolutely no return on their investment. [Ref. 5:253]

Much has been said about the level of pay satisfaction of employees. Is it really important that they feel satisfied for effective operations? Pay dissatisfaction in the civilian sector has been shown to result in strikes, grievances, absenteeism, turnover, and low job satisfaction. Obviously strikes would result in large money losses. However, problems with absenteeism and turnover also result in large financial losses for any organization. Absenteeism lowers the level of production. Turnover costs an organization in many ways. Production decreases during the interim between an employee's departure from a position and a replacement being hired. There are also the hidden costs of recruitment and training. The new employee also slowly picks up skills over a period of time before becoming as proficient in performance as the previous employee who had been on the job for a lengthy period of time. [Ref. 5:249]

If pay satisfaction levels are important, what should an organization do to raise what is perceived to be low levels of pay satisfaction? An obvious answer would be to give everyone an across the board salary increase. This would definitely increase the organization's level of satisfaction. This action would also greatly increase the company's level of expenditures for labor. Another method of increasing pay satisfaction would be to insure that employees value every expenditure already

being made for them by the organization. A relatively recent method to achieve this goal is the cafeteria-style wage plan.

A cafeteria-style wage plan is based on the premise that the average employee undervalues the fringe benefits that are provided by any organization. The company's investment is again not getting an adequate return in the form of pay satisfaction. The cafeteria-style wage plan calls for the organization to set forth how much it is willing to spend to compensate each employee. This figure should be the sum of the employee's salary and the moneys spent by the company to provide all fringe benefits for the individual employee. The employee can then chose how much of the total compensation package he wants to receive in cash and how much he desires to go to provide various fringe benefits. The employee can chose specific levels of coverage from the fringe benefits selected. In theory, the employee would have a much better appreciation of the total amount of money allocated for compensation and money would be spent only on benefits that are valued by the individual employee. These factors combined should increase pay satisfaction for each employee. [Ref. 5:254]

A cafeteria-style wage plan would obviously increase the requirement for administrative support to manage each individual's selections. However, today's pay branches of most large organizations can, with the great assistance of central computers, handle the additional workload. [Ref. 2:180-182]

Another concern of the organization might be that all employees will take all compensation in the form of cash and be unprepared to cope with an emergency such as hospitalization or lengthy illness. Research in this area has indicated that most employees, who are given the opportunity to allocate their full compensation, will select adequate coverage from fringe benefits to cover emergencies. The employee is in the position of being responsible for his pay decisions. Obviously, this choice of compensation can deeply affect an individual's life style and ability to withstand times of problems. Individuals react to the gravity of this situation by making well considered, responsible decisions on compensation. This research also revealed a tendency by both company officers and union officials to overestimate employees' desires for more cash. Employees were definitely interested in other forms of compensation - various fringe benefits - besides cash. [Ref. 6:509-517]

Concern over each individual employee's ability to select appropriate levels of such fringe benefits as health and life insurance or retirement funds by the organization's leadership is an indication of paternalistic attitudes. At one time, it was common business practice for the owners of a company to assume a position of patriarch for all employees. The owner, because of his greater education, experience, and economic know-how, could make much better decisions concerning necessary fringe benefits than could the average employee. The recent

trend has been to suppress any actions that appear paternalistic. Employer's actions which were intended to assist employees have resulted in employee resentment. [Ref. 3:514] Individuals need to feel in control of, at least to some degree, their life. Their sense of satisfaction with themselves and their own importance is tied to the number of areas in which they can control the outcome of their life's experiences. The ultimate result of individuals feeling that they have no control of their lives has been shown to be aggression against the system that has made them powerless. [Ref. 7:5-6]

Other research has indicated that any individual's prediction of the desires of others is affected by that individual's personal preferences. As a result, union officers have been shown to negotiate extensively for benefit packages that were not valued by the general union membership. Some companies, General Electric for example, have surveyed their employees to more accurately determine compensation preferences of rank and file members. These companies have then been able to negotiate agreements that more closely met the needs of employees than what programs were requested by their union. [Ref. 6: 509-510] If union officials are out of touch with the desires of the average employee, then an organization's top management is in that much worse of a position to try to predict accurately the needs and desires of all employees.

B. PRESENT COAST GUARD COMPENSATION POLICIES

This section will attempt to outline current United States Coast Guard compensation policies for active duty personnel. Specifically, policies concerning subsistence allowances, quarters allowances, commissary/exchange privileges, and medical benefits will be discussed.

The subsistence allowance is intended to provide for the food cost of each service member. The service member can receive this allowance in the form of a cash allowance or actual meals provided by military food preparation facilities. Officers always receive the allowance in cash. Enlisted personnel can request to receive the allowance in cash. Commands have the right to deny requests to mess separately. Enlisted personnel who are assigned to units that do not have food preparation facilities always receive their subsistence allowance in cash. This allowance is called regular Basic Allowance for Subsistence (BAS). Enlisted personnel assigned to shore commands which do have food preparation facilities may be authorized to mess separately. Personnel receiving permission would then receive a cash allowance called Comrats. Official policy recommends that each shore command grant Comrats to the maximum extent practical. To qualify for Comrats an enlisted member must request to mess separately and not eat a majority of his meals at the command's messing facilities. Members on Comrats must pay for meals consumed from the command's mess.

On the other hand, enlisted personnel who are assigned to ships which have messing facilities are required to receive their subsistence allowance in the form of actual meals. As a result, even when in home port for extended periods, members assigned to ships must either eat their meals on board or forfeit their subsistence allowance. Present policy for officers embarked on ships requires that they pay for all government meals consumed. Officers still receive their subsistence allowance in cash.

Studies have indicated that enlisted personnel do not highly value their in-kind subsistence allowance. A study revealed that approximately 50 percent of those personnel receiving their subsistence allowance in actual meals opted not to eat at the government messing facility. Reasons for avoiding military meals even when other meals must be purchased out of base pay vary among members. However, common themes are: inconvenient meal hours, unpleasant atmosphere for eating, or poor tasting food. [Ref. 8:54]

The Basic Allowance for Quarters (BAQ) is intended to provide for each service member's housing needs. Like the subsistence allowance, the quarters allowance can be received in the form of cash or actual government quarters. The cash Basic Allowance for Quarters varies for each paygrade. The more senior grades receive more BAQ money. Within each paygrade, there is one allowance for bachelor personnel and a separate rate for those personnel with dependents. In each paygrade,

the allowance for quarters for those personnel with dependents is greater than that paid members with no dependents.

A new allowance provides additional money for those members assigned to areas with high housing costs. This new allowance is the Variable Housing Allowance (VHA). This allowance is received only by those personnel residing in civilian housing. As with BAQ, VHA rates vary for each paygrade. VHA also has different rates for married personnel and those personnel with no dependents.

Coast Guard Headquarters has published specific adequacy standards for both bachelor and family military housing. Each command has the responsibility for determining the adequacy for occupancy of all quarters under their control. Personnel may be required to occupy adequate government quarters that are empty.

It is my experience that there is usually excess demand for family housing where it is available. This excess demand provides married individuals with the option of waiting for government quarters to become available or receiving their housing allowance and making arrangements for civilian housing.

In my experience, there is much less of an excess demand for bachelor quarters. Perhaps this is because many more military personnel can be berthed per square foot of barracks than can be housed in family housing units. Another factor contributing to this phenomenon is the finding of several studies that the rental value of family housing units is generally

worth much more than the member's cash housing allowance.

[Ref. 8:58] On the other hand, the rental value of bachelor housing is generally less than the cash allowance for quarters.

[Ref. 9:B-3] These findings are highlighted by the very real difference in the level of housing allowance paid to bachelor and married personnel in the same paygrade.

Government quarters for enlisted bachelor personnel are routinely inspected by representatives of the parent command. These inspections check for cleanliness and adherence of various barracks regulations. These regulations generally prescribe rules, among others, for storage of food, limitations on alcoholic beverages, visiting hours for guests, personal parties, and limitations on the volume of music played by any occupant.

Married personnel, when they do occupy government quarters, are assigned to separate family units. There are routinely only two command inspections associated with a family occupying government housing - the check-in and the check-out inspections. There is much less regulation concerning parties, stereo volume, alcoholic beverages, food storage, etc... for family housing than with bachelor barracks.

Official policy also differs for married and bachelor personnel assigned to ships whose on board berthing has been declared adequate. Bachelor personnel assigned to those ships are not authorized to receive any cash housing allowance for off-ship berthing. Married personnel assigned to these same

cutters occupy their bunks on board while underway and are also entitled to separate government family housing or a cash housing allowance.

All active duty military personnel are eligible to shop in the commissary and exchange system. The operations of commissaries historically have been partially funded by Congressional appropriations and have thus been able to provide food products below normal civilian retail prices. The exchange system has no funds appropriated to support it by Congress. Savings in the exchanges are often realized because state sales taxes are not charged on items sold. The benefits of both the commissary and exchange systems are particularly apparent for overseas duty stations.

The value of the commissary/exchange system again differs between bachelor personnel and those personnel with dependents. The more that you utilize the system, the more benefit you realize. Obviously personnel with dependents would be expected to spend more money at the commissary or exchange than would bachelor personnel simply because they have more people to feed and cloth. Therefore, personnel with dependents would realize more of the savings provided by the commissary/exchange system.

All active duty military members are eligible for free medical and dental care. Normally, active duty members receive their medical and dental care from government facilities. When government facilities are not available, any costs for medical care are paid by the Coast Guard.

Dependents of active duty military members are eligible to utilize military medical facilities. Dependent care is provided if space is available after all active duty medical needs are met. Dependents of active duty personnel are eligible to receive civilian medical care under the CHAMPUS program. In-patient care is provided at a cost of \$25 per hospital admission or \$4.10 per day of hospital stay, whichever is greater. There is a requirement to get a statement of non-availability of military services for those dependents who live within forty miles of military medical facilities. CHAMPUS will also cover approximately 80 percent of what are judged reasonable charges for civilian out-patient care. Each military family must pay a minimum of \$50 per person or \$100 per family each year before CHAMPUS will pay for out-patient care. Obviously, dependent medical care is not a highly valued benefit for bachelor personnel. [Ref. 8:72-73]

There are other non-monetary fringe benefits that have been traditionally provided by the Coast Guard. Examples of these benefits are the differences maintained between officer and enlisted personnel for such things as clubs, housing, and parking spaces. These differences have always served to support the distinct hierarchical structure of the military's rank system. [Ref. 2:171-172]

C. A REVIEW OF THE LITERATURE CONCERNING MILITARY COMPENSATION

There seems to have been a limitless number of commissions and agencies studying the subject of military compensation in

recent years and making recommendations for future changes. Very few of these studies have agreed with one another and very few of the recommended changes have been made. This section will attempt to highlight the main points of the major studies. Particular attention will be paid to findings and recommendations concerning the allowances and fringe benefits that are of primary interest to this study.

Several studies have advocated a major switch in overall compensation policy from the present pay and allowances system to a straight salary system. The exact details may vary between studies, but the major thrust of their recommendation was to combine base pay with the subsistence allowance, the housing allowances and the tax advantage that results from the allowances being non-taxable income. All these factors would be combined in the straight salary system. The commissions that recommended this change were the Hook Commission of 1947, the First Quadrennial Review of Military Compensation of 1967, the Gates Commission of 1970, and the Defense Manpower Commission in 1973. The General Accounting Office issued a document in support of this compensation alternative as recently as 1 August 1977.

The major factors in all of these studies that led to the recommended changes in compensation policy were visibility and equity. The visibility issue is concerned with the ability to compare accurately military compensation levels to civilian pay levels. The equity issue is primarily concerned with the

differences in present military compensation between bachelor personnel and those personnel with dependents.

The one sure portion of military compensation that can be accurately compared to civilian pay is base pay. The value of housing and subsistence allowances issued in-kind is very difficult to judge. Service members seldom have a good idea of the fair market value of government-provided housing and meals. The tax advantage of allowances also varies greatly depending on the individual service man. The more income that an individual or family receives, the greater the tax advantage becomes. [Ref. 10:2-4]

Another General Accounting Office study revealed a consistent underestimation of total military compensation by current military members. Approximately 40 percent of all enlisted personnel surveyed and 20 percent of all officer personnel surveyed underestimated their total regular military compensation (RMC). The end result of the prevalent misconception of military compensation levels is money expended for no benefit to the government. Compensation that is not recognized as such is an inefficient and ineffective way to satisfy military personnel's pay desires. A General Accounting Office study concluded that personnel who underestimate their pay also tend to opt to leave military service. The study concluded that unnecessary pay increases may be advocated to increase military personnel retention when all that is really required is a more accurate perception of true present day compensation

levels. [Ref. 10:2-4] Regular military compensation involves only base pay, the subsistence and housing allowances and their tax advantage. The other fringe benefits which are even more difficult to measure as far as actual monetary value were not involved in the above figures. The First Quadrennial Review of Military Compensation concluded that both officers and enlisted personnel underestimate their career military earnings by from 10-24 percent. The career earnings include some apportionment of the military's retirement benefit to a member's annual salary. [Ref. 11:S-5]

The equity issue is concerned primarily with the perception that military pay is not closely tied to job performance. Equity calls for pay to be equal for all jobs of similar skill requirements and to increase as a member advances to more responsible senior positions. At present only 60 percent of military compensation is directly related to services performed. The remaining 40 percent is determined by marital status and whether the member resides in on-base government quarters or not. [Ref. 11:S-7] A Navy study revealed that at present, the difference between the level of basic allowance for quarters for bachelor personnel and married personnel is greater than the increase in pay that a member would receive by advancing in paygrade. In other words, the present compensation system does not adequately encourage personnel to advance to more responsible and demanding job positions. In order to advance, an individual must complete a specific correspondence course

on his own off-time, work diligently while on the job in order to be recommended for advancement and then, in most cases, successfully compete in a service-wide examination. That same individual, upon advancement, receives an increase in pay while at the same time assuming greater on the job responsibilities. The present pay system enables another individual to realize greater economic benefits than the member who advanced by simply getting married. The present military benefit package is especially targeted to the married member. Such benefits as dependent medical care and the commissary/exchange system serve to increase the difference in compensation that is related to marital status as opposed to job performance. [Ref. 12:71]

A study by the Department of Defense in October 1964 on military compensation attempted to ascertain how large a percentage of Navy and Marine Corps personnel actually utilized portions of the fringe benefit package. A portion of the results are as follows:

	Portion to receive the benefit		
	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>
Medical Care for Dependents	42.9	75.0	39.0
Commissary	41.0	71.6	37.3

This study reveals that at that time a great percentage of the Navy and Marine Corps did not utilize large portions of the military compensation package. [Ref. 12:58-59]

Another area of particular inequity is the housing policies followed by the military service. The results of these policies

is a high degree of dissatisfaction among bachelors with their quarters. One example of the different treatment in housing is the finding by a study group for the Third Quadrennial Review of Military Compensation that, worldwide, 70 percent of married personnel receive their basic allowance for quarters in cash as opposed to only 13 percent of bachelor personnel. [Ref. 13:2] Another study group estimated that 11 percent of all bachelor service members in paygrades E-5 and E-6 and 31 percent of bachelor members in paygrades E-1 to E-4 have chosen to live in civilian housing even while not eligible to receive cash payment of BAQ. Overall approximately 72 percent of all bachelor enlisted personnel preferred civilian quarters to government quarters. The preference for civilian quarters was especially noticeable in the junior paygrades - E-1 to E-4. More senior paygrades were less interested in civilian quarters. This trend is understandable because of the increase in square footage per man and the decrease in the number of roommates for more senior personnel (required by the suitability directives). [Ref. 14:38]

The BAQ and Government Furnished Quarters research paper for the Third Quadrennial Review of Military Compensation attempted to establish a level of monetary worth to service members of receiving government quarters. The study did not include bachelor quarters on board ship or in the field. The study found the value of family government quarters to be greater than the BAQ rate in general but less than the actual

cost to the government to provide the quarters. It was estimated that family quarters are occupied voluntarily by married service members. On the other hand, government costs to provide bachelor quarters are considerably less than the amount of cash forfeited at the "without dependents" BAQ rate. The value of government quarters was determined to be government costs to provide the quarters. Overall, the value received by bachelor service members in government quarters is less than one-half of their forfeited BAQ. The value to married service members of government quarters was estimated to exceed their forfeited BAQ by 40 to 80 percent. [Ref. 14:38-59]

A change to a salary system would result in a fully taxable military salary and would have several distinct advantages over the present system. Service members would realize the exact level of their compensation and could make accurate comparisons to civilian alternative employment. Another benefit hypothesized by the GAO report was a more accurate portrayal of the full amount of money spent for military compensation. The present pay and allowances system serves to conceal a large portion of military compensation costs. The tax advantage of receiving non-taxable income is not currently reflected in military budgets. A salary system would result in this tax advantage appearing as a budget expense. Although the tax advantage of military members is not presently reflected in the federal budget as an expense, it is a genuine cost to the federal government because of lost revenues. The conversion

to a salary system would simply recognize this cost. [Ref. 10:22-24]

Another study by the Navy's Task Force for Retention recommended a change to a salary system for the reason previously mentioned and because the change would enhance the public's view of military members. This change in attitude would result from military personnel paying their full share of federal and state taxes. The study stated that the current conception of the general public was that military members paid no taxes at all. [Ref. 12:74]

Three other countries of similar circumstances to the United States have converted from a pay and allowances system to a salary system. Australia, Canada, and the United Kingdom have all made the change. All three countries have a volunteer military that must compete for manpower with civilian enterprises. In all cases the switch has been favorably accepted by the military and the general populace. The problems of the pay and allowances system - poor comparability to civilian wages and inequitable compensation differentials for bachelor personnel - have been corrected by the salary system. [Ref. 10:9-15]

In order to make the conversion to a salary system, several issues would have to be resolved. First, the initial salary levels would have to be established. This could be done by an extensive comparison of military jobs to similar jobs in the civilian economy. Any decision on pay levels based on comparison

to civilian jobs would have to take into account some sort of differential for the different working condition of military jobs as opposed to the typical civilian job. Military employment involves nonpayment of overtime, strict discipline, transfers, and hazards to the life of the service member. These aspects are not common to very many civilian jobs. Another method to establish pay levels would be to re-express present levels of regular military compensation into a salary. This method could be put into operation very quickly. [Ref. 10:16-21]

Another issue would involve the establishment of costs for government provided facilities such as housing and meals. The fair market value of the facilities would have to be established. Another decision would have to be made whether to use the present "with dependents" BAQ rate or to average the present "single" and "with dependents" BAQ rates. [Ref. 10:16-21]

A conversion to a salary system would also require a change in several other compensation policies. Such payments as retirement annuity and Survivors Benefit outlays are presently based on levels of base pay. These pay elements could be tied to present levels of base pay when the switch to salary was made. This separate pay scale would have to be adjusted on a regular basis as military compensation changed over the years. [Ref. 10:16-21]

The recommendation by the General Accounting Office for the military to convert to a salary system was opposed by the Department of Defense. The Defense Department stated that the

new system would not provide for any more equal pay for equal work than does the present pay system. A salary system was thought to be more costly overall to the country during a time of war. Even in peacetime, the salary system would be more costly to DOD because of the increased size of the manpower portion of the department's budget. The final opposition by DOD to the proposal was that a salary system would be another large step towards the civilianization of the military. The thought was that under a salary system, service members would expect a nine to five job and not be willing to tolerate the rigors of military service. [Ref. 10:31-32]

Several recent military pay studies have supported the position on the salary issue of the Department of Defense. Both the Third Quadrennial Review of Military Compensation and the United States President's Commission on Military Compensation of April, 1978 have recently recommended the retention of a pay and allowances system in preference to a salary system.

One factor that would contribute to a recommendation to retain the pay and allowances system was the proposed treatment of the commissary and exchange system in the switch to a salary program. The benefits to the service members of commissaries and exchanges were virtually ignored by commissions which recommended a salary system. The First Quadrennial Review of Military Compensation, for example, recommended converting the commissary system to a strictly self-supporting operation by discontinuing all direct government subsidies. The commissary/

exchange system would be classified a non-compensation element under this proposal. The study estimated a total savings to the government of \$105 million in 1967 dollars. [Ref. 11:5-15]

A report study stated that in 1978, commissaries worldwide were subsidized by an estimated \$544 million. This figure was a combination of \$394 million in appropriated funds and \$150 million because of the exemption from payment of federal and state taxes. This same study estimated that the commissary system saved eligible personnel over \$840 million per year. [Ref. 15:2] A separate study estimated savings from commissary and exchange purchases to be from 13 to 20 percent over civilian outlets. [Ref. 16:3]

The sheer size of the savings estimated by the above studies provides a good indication of the probable importance of the commissary and exchange system to the average service member. Not surprisingly, the Department of Defense has opposed any reduction of subsidies to the commissary system. The Defense Department claims the commissary system is an important fringe benefit. A Navy study in 1975 found that commissary privileges were rated second behind medical benefits in a listing of important fringe benefits. [Ref. 8:68] There continues to be pressure on DOD by GAO to establish justification of the commissary system as an important fringe benefit. [Ref. 15:2]

One portion of the benefit package that would be retained under either a pay and allowances system or a salary system is medical care for active duty members and their dependents.

A military medical system is a necessity for the services to meet their general missions in time of war for the health care of active duty service members. Dependent care is offered on a space available basis. The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) provides for partial reimbursement for expenses incurred by dependents and retired personnel for civilian health care if military facilities are not available.

Health care, in general, has grown in importance in every organization's benefit package. Nearly all large civilian firms provide a comprehensive medical care package. Many firms now also offer dental care plans. The military no longer provides the most comprehensive health care in this country. [Ref. 17:15] Medical care remains, however, as the most important fringe benefit to service members. [Ref. 8:68]

However, there have been several studies that have indicated widespread dissatisfaction with military medical care. One study indicated that one of every five military beneficiaries was dissatisfied with his health care [Ref. 17:151] Another study in the San Diego area had the following results from a survey of approximately 5000 enlisted service members:

<u>Paygrade</u>	<u>Sample</u>	<u>Opinion of Medical Care</u>		
		<u>%</u> <u>Fair</u>	<u>%</u> <u>Poor</u>	<u>%</u> <u>Combined</u>
E-6	142	18	38	56
E-5	350	10	30	40
E-4	647	14	23	37
E-3	917	13	19	32

This study revealed widespread dissatisfaction that increased percentage-wise as service members advance in paygrade. [Ref. 12:1-2]

The importance of medical care to service members was revealed by a survey of some 16,000 enlisted personnel. This survey found that medical care satisfaction was an important factor that influenced the reenlistment decision. Therefore, increased satisfaction with medical care would result in increased retention. [Ref. 12:1-2]

A review of the military health system by the U.S. President's Commission on Military Compensation of April, 1978 revealed several problem areas. There is a general impression among service members that they are entitled to more medical care than is currently provided by the services. In addition, depending on the specific location, clinics have been closed or certain specialties such as pediatrics are not provided. These circumstances lead to disappointments for beneficiaries expecting services. [Ref. 17:151]

In-house care was also criticized by respondents to a 1976 DOD personnel survey. Over 40 percent of military personnel preferred CHAMPUS care to military medical care if additional cash payments were authorized. Military medical care was criticized as being slow, and of low quality. At present, if military care is available a beneficiary has no alternative for care unless he or she wants to assume the full burden of the cost. Dissatisfaction with medical care is transferred to the

service in general and works against the retention of personnel.

[Ref. 17:153]

The administration of the CHAMPUS program was also found to be a problem area. The program bases its payments on an out-of-date schedule of doctor and hospital charges. This results in many physicians refusing to participate in CHAMPUS. This in turn requires beneficiaries to pay for medical care and then wait to be reimbursed by CHAMPUS. Any difference between CHAMPUS' authorized payment and the actual medical bill must be paid out of pocket by the service member. Also, CHAMPUS claims have experienced extensive delays in processing forcing patients to wait lengthy periods for reimbursements. Because CHAMPUS is intended for use for dependents only when military medical services are not available, it is a reimbursement plan as opposed to a prepaid plan such as Blue Cross/Blue Shield. The commission did not determine the cost-effectiveness of a prepaid medical plan for the military. It did state however, that for medical care to be valued as a benefit, service member preferences must be taken into account along with the cost consideration. [Ref. 17:151-152]

Most of the military compensation studies noted that there has been insufficient flexibility to cope with changes in the civilian employment market. This lack of flexibility has led to poor retention in many rates. Most of the studies have recommended the retention of special pays and reenlistment bonuses to provide some measure of flexibility in rates where

normal military compensation has not been sufficient to retain adequate numbers of personnel. These special pays are targeted at specific military rates and not specific individuals. A compensation plan that allowed for individual selection of specific fringe benefits was not advocated by any of the pay commissions. There is apparently no survey data available on the desirability of a cafeteria-style benefit plan to service members.

III. METHODOLOGY

A. SURVEY DOCUMENTS

Two separate surveys were utilized in an attempt to determine the attitudes of Coast Guard personnel in regards to the areas of compensation under consideration. The first survey was originated in October of 1979 by Coast Guard Headquarters to determine the service-wide housing situation. The second survey was generated along similar lines to the first survey in August 1981 to gather data with regards to messing, the commissary/exchange system, medical care, and general compensation issues.

The housing survey was entitled the "Coast Guard Housing Questionnaire" and is attached as Appendix A. This survey was intended to be administered to all active duty Coast Guard personnel during January 1981. The survey could be divided into four basic parts. The first section gathered personal information on each respondent. Specific areas covered were paygrade, marital status, sex, and number of dependents.

The second section was intended for married personnel only. This section determined if a member was accompanied by his family at his present duty station. If unaccompanied by his family, a member was queried as to preference for housing if the family had in fact made a move to the present duty station. Members living in inadequate government quarters and forfeiting

all or part of their BAQ were asked if this situation was accepted in order to prevent family separation. The present housing arrangements for each married member were also determined. There were nine different categories of housing arrangements. However, these nine categories can be divided into three main categories - utilizing government owned quarters, utilizing government leased quarters, or residing in quarters obtained from civilian sources. The final area covered in this section determined how many bedrooms were provided in the member's present housing situation.

The third section was intended for bachelor personnel only. The first area concerned only those personnel who rented civilian quarters and determined the number of roommates with whom a member shared his housing expenses. The final question in this section determined if a member was receiving his Basic Allowance for Quarters in cash.

The final section of the survey was intended for all personnel. Data was collected concerning numbers of members receiving Basic Allowance for Subsistence or Comrats and also a member's present housing costs. Members then indicated their preference for housing at their present duty station given their present financial situation. Choices in this area were confined to either government owned quarters, government leased quarters, civilian rented quarters, or civilian purchased quarters. Members also evaluated the suitability of their present quarters. If present quarters were judged unsuitable, members could choose one or more of seven deficiency areas

that made the housing unsatisfactory. Information was also collected regarding the distance to the present duty station, transportation utilized to commute to work, and commuting time from each member's present residence. The final area of this section gathered data on means of initially locating the present residence, use of the sponsor program, and approximate out-of-pocket expenses incurred during the last permanent change of station move.

The second survey was generated to provide data similar to the housing survey in the other areas of compensation under consideration. The survey was entitled "Compensation Questionnaire" and is attached as Appendix B. This survey could be divided into five basic sections. The first section gathered identifying personal data with regards to present paygrade, marital status, and number of dependents.

The second section was concerned with government messing facilities and messing policies. This section was intended to be completed only by enlisted personnel. Members indicated if they were receiving BAS or Comrats and if their present assignment was aboard a ship with a separate on-board messing facility. Members also indicated what proportion of their meals were provided by government facilities and whether the government food service was judged to be suitable given their present locale and duty assignment. If the services were unsuitable, members could choose between five different deficiency areas or write-in additional problem areas. The next question asked

members if they preferred a short-order grill mess hall to one which prepared meals from published menus. The final area covered in this section was intended only for those personnel not presently receiving BAS or Comrats. Respondents chose between maintaining the present messing system or receiving a cash subsistence allowance and utilizing civilian food sources.

The third section of the second survey started by determining travel time to the nearest commissary and the percentage of grocery shopping done at commissaries. Members then indicated if the commissary utilized was often crowded and if the commissary was more conveniently located to their residence than were civilian stores. Members indicated their preference for either the present commissary system or an alternative system which provided for a monthly cash increase to provide for cash savings previously provided by commissaries and required members to shop at civilian markets. Members also indicated the percentage of their other shopping currently done at military exchanges. Information was gathered concerning whether the military exchange or a civilian retail store was more conveniently located to each member's residence. Respondents then indicated if the exchange system could be discontinued without serious effect on their present lifestyle.

The fourth section was concerned with military medical care for active duty members and dependents. Members indicated their preferences for civilian or military medical care for their dependents. Members indicated if civilian medical facilities

were more conveniently located to their residence than were military facilities. Members evaluated the suitability of their present medical care and indicated problem areas if care was determined to be unsuitable. The final area covered in this section requested members to choose between the present military medical system for active duty care and an alternative system which utilized civilian facilities and a pre-paid health coverage similar to Blue Cross/Blue Shield.

The final section of the survey addressed general compensation issues regarding the entire military compensation system. Members judged the equity of the present system for both bachelor and married personnel. Members indicated their support or opposition to the various non-monetary differences traditionally maintained between officer and enlisted personnel. Members chose between the present pay system and an alternative that would provide for a more flexible system where specific benefits could be selected with remaining compensation being received as cash. Finally, members chose between the present pay and allowances system and a straight cash salary system.

B. POPULATION SURVEYED

The Coast Guard Housing Questionnaire was administered service-wide. Eventually 22,773 surveys were completed and returned to Coast Guard Headquarters for evaluation. All active duty paygrades were represented by at least one completed survey. The entire active duty population was approximately

36,000 at the time of the housing survey. The results of such a large sample would provide data that could easily be generalized to apply to the entire service.

The second survey - Compensation Alternatives - was mailed to a random sample of 800 active duty Coast Guard personnel. The names and addresses for these personnel were provided by the Psychological Research branch of Coast Guard Headquarters. Members were selected by the last two digits of their Social Security numbers. The particular two sets of numbers were selected by rolling a die. Therefore, surveys were forwarded to a random cross-section of the active duty personnel including members in paygrades E-1 to O-6. Surveys were returned, however, only by members in paygrades E-2 to O-6. It is probable that members in paygrade E-1 were in the process of being transferred or advanced when the survey was initially mailed and the documents were never received or completed as E-1's. This shortcoming aside, the survey's population is of a sufficiently broad base to justify the generalization of this survey's results to all Coast Guard personnel.

IV. SURVEY RESULTS

A. RESULTS FROM THE COAST GUARD COMPENSATION ALTERNATIVES SURVEY

Of the 800 surveys distributed to a random sample of the Coast Guard, 365 surveys were completed and returned. Respondents were grouped basically by paygrade. Table 1 indicates the distribution of respondents by paygrade and marital status. Responses from certain similar paygrades were combined to get a larger, more representative grouping in paygrades which did not have large numbers of respondents. Overall, there were 226 married respondents and 139 bachelor respondents to the survey.

Table 2 gives a breakdown of respondents by number of dependents. Combining Tables 1 and 2, it is evident that there were nine respondents who are currently bachelors who have at least one dependent.

The first section of the questionnaire was concerned with government messing facilities and was intended for completion by enlisted personnel only. There were 99 respondents who indicated they were not receiving either Basic Allowance for Subsistence (BAS) or Comrats. There were 180 respondents who indicated that they were receiving some sort of cash subsistence allowance. Only 24 enlisted respondents were assigned to afloat units large enough to have a separate messing facility. Table 3 displays the distribution of responses concerning

Table 1

<u>Paygrade</u>	<u>Married</u>	<u>Bachelor</u>
E-2	0	18
E-3	12	25
E-4	22	42
E-5	19	25
E-6	69	11
E-7	25	5
E-8,9	9	1
W-2-4	12	1
O-1,2	12	7
O-3	24	2
O-4	10	2
O-5,6	12	0
	<u>266</u>	<u>139</u>

Table 2

<u>Dependents</u>	<u>Frequency</u>
0	130
1	66
2	46
3	72
4	35
5	14
9	2

each individual's utilization of government messing facilities. Over 61 percent of all enlisted respondents utilize government facilities for less than 25 percent of their meals. Only 36 respondents or 13.1 percent of all total respondents indicated that 75 to 100 percent of their meals were provided by military messing facilities. Further analysis reveals that, not surprisingly, members who were not receiving a cash subsistence allowance accounted for a large majority of those members who indicated that government facilities provided a majority of their meals. Table 4 gives a breakdown of government mess utilization for members not receiving a cash subsistence allowance. It is interesting to note that even with this group of respondents, 45.9 percent indicated that they ate less than half their meals at government facilities.

Overall, there were a total of 224 respondents who made some sort of judgement concerning the suitability of their present mess service. There were 83 respondents or 37.1 percent of the total who judged the service as unsuitable. The subset of the entire sample population consisting of only those members who were not receiving a cash subsistence allowance had a very similar proportion of respondents who judged their food service as unsuitable. There were 95 respondents in this group of whom 35 or 36.8 percent judged mess service as unsuitable. Table 5 provides the distribution of the discrepancies cited by those personnel who felt their mess service was not suitable to their needs.

Table 3

Percent of Meals from Military Mess Halls

	<u>Responses</u>	<u>Percent of Total Responses</u>
Less than 25%	169	61.7
25-50%	42	15.3
50-75%	27	9.9
75-100%	36	13.1

Table 4

Percent of Meals from Military Services;
Members Not Receiving a Cash Subsistence Allowance

	<u>Responses</u>	<u>Percent of Total Responses</u>
Less than 25%	20	20.4
25-50%	25	25.5
50-75%	23	23.5
75-100%	30	30.6

Table 5

Areas of Discrepancy in Mess Hall Food Service

	<u>Number of Times Cited</u>
Hours of Operation	21
Quality of Food	60
Limited Menu	43
Uniform Requirements	15
General Atmosphere	19
*Cooks Attitudes	6
*Cleanliness	10

* Write-ins

There were 259 respondents who indicated a preference between a short-order grill facility and one with specific prepared menus. A system of meals provided in accordance with prepared menus was preferred by 59 percent of all respondents. Those members not receiving a cash meal allowance preferred the menu system by a slightly higher percentage - 64.9 percent.

The final area covered by the section on messing facilities was intended only for those personnel who were not presently receiving a cash allowance for BAS or Comrats. Of the 87 respondents in the above category, 59 members of 67.8 percent of the group indicated a preference for a cash allowance for subsistence in preference to government provided meals in-kind. Of those members who were assigned to floating units with a separate messing facility on board, 13 of 18 respondents or 72.2 percent preferred to receive a cash subsistence allowance.

The next major section of the questionnaire was concerned with the commissary/exchange system. This section was intended to be completed by both officer and enlisted personnel as was the remainder of the questionnaire. Table 6 presents the distribution of respondents concerning the length of a trip to the nearest commissary. A sizeable proportion of all respondents - 25 percent - were greater than 45 minutes away from the nearest commissary. A similar percentage of respondents - 30 percent - were also within less than 15 minutes of the nearest commissary. Table 7 displays the distribution of respondents concerning their utilization of a commissary for their monthly grocery

Table 6

Travel Time to the Nearest Commissary

	<u>Number of Responses</u>	<u>% of Total</u>
Less than 15 minutes	109	30
15-30 minutes	113	31
30-45 minutes	48	13
More than 45 minutes	90	25

Table 7

Percent of Grocery Shopping Done at Commissary

	<u>Number of Responses</u>	<u>% of Total</u>
0-25%	208	58
25-50%	36	10
50-75%	48	13
75-100%	69	19

shopping. Sixty percent of all respondents indicated that they utilized the commissary system for less than 25 percent of total grocery shopping. Only nineteen percent indicated that they utilized a commissary for from 75 to 100 percent of their monthly groceries. A breakdown of respondents by marital status reveals very different utilization figures for married and bachelor personnel. Table 8 shows the percentages of commissary grocery shopping divided by marital status. Fully 75 percent of all bachelors used the commissary for less than 25 percent of their grocery shopping as compared to 46.9 percent for married personnel. Similarly, a much higher percentage of married personnel used the commissary for 75 to 100 percent of their grocery shopping as compared to bachelor personnel - 26.8 percent as opposed to 6.2 percent respectively.

This difference of commissary utilization by marital status is not indicated by differences in commuting distances to the closest commissary. Table 9 displays travel time to the nearest commissary broken down by marital status. Both groups have very similar distribution as would be expected assuming assignments are not specifically dependent on marital status.

Overall, out of 326 respondents, 167 or 51.2 percent stated that the commissary utilized was often overcrowded. There was a marked difference in the opinions of the bachelor population and the married population concerning commissary overcrowding. There were 125 married respondents - 60.4 percent of the married total - who stated their commissary was often crowded. There

Table 8

Percent of Commissary Grocery Shopping

<u>Married</u>	<u>Responses</u>	<u>% of Group Total</u>
0-25%	105	46.9
25-50%	21	9.4
50-75%	38	17.0
75-100%	60	26.8
<u>Bachelor</u>		
0-25%	103	75.2
25-50%	15	10.9
50-75%	10	7.3
75-100%	9	6.2

Table 9

Travel Time to the Nearest Commissary

<u>Married</u>	<u>Responses</u>	<u>% of Group Total</u>
Less than 15 minutes	66	29.6
15-30 minutes	65	29.1
30-45 minutes	33	14.8
More than 45 minutes	59	26.5
<u>Bachelor</u>		
Less than 15 minutes	43	31.4
15-30 minutes	48	35.0
30-45 minutes	15	10.9
More than 45 minutes	31	22.6

were only 42 bachelor respondents - 35.3 percent of the bachelor total - who found their commissary to be crowded.

Out of 363 respondents, there were 301 or 83 percent of the total who stated that civilian grocery outlets were closer than was the nearest commissary to their residence. There was little difference in this area between bachelor and married personnel. Bachelors reported a civilian store to be closer 84.8 percent of the time while married personnel reported this to be true 81.8 percent of the time.

Respondents made a choice between the present commissary system and an alternative system where some measure of the present commissary savings would be added to each member's cash salary and members would be required to utilize civilian grocery outlets. Table 10 gives the overall distribution and the responses broken down by marital status. There is a very similar proportion of responses for both married and bachelor groups. Overall, 70 percent of all respondents preferred the new alternative system to the present system. The proportion of respondents preferring the alternate system was relatively stable even across members who were within fifteen minutes of the nearest commissary. Table 11 gives a breakdown of respondents concerning their preference for a commissary system by travel time to the nearest commissary.

Table 12 gives the distribution of respondents concerning their utilization of the exchange system for their other than grocery shopping. The overall response along with a breakdown of responses by marital status is included in Table 12. There

Table 10

Population's Preference for a Commissary System

	<u>Present System</u>	<u>Alternate System</u>
	<u>Responses/% of Line Total</u>	
Total Population	107/29.9	251/70.1
Married Population	64/28.8	158/71.2
Bachelor Population	43/31.6	93/68.4

Table 11

Preference for a Commissary System for the Population Grouped by Travel Time to the Nearest Commissary

<u>Travel Time to Commissary</u>	<u>Present System</u>	<u>Alternate System</u>
	<u>Responses/% of Line Total</u>	
Less than 15 minutes	37/34.9	69/65.1
15-30 minutes	31/27.9	80/72.1
30-45 minutes	14/29.8	33/70.2
More than 45 minutes	22/24.7	67/75.3

Table 12

Percent Utilization of the Exchange System

<u>Total Population</u>	<u>Responses</u>	<u>% of Total</u>
Less than 25%	244	67.0
25-50%	66	19.0
50-75%	38	10.0
75-100%	15	4.0
<u>Married Population</u>		
Less than 25%	156	69.6
25-50%	38	17.0
50-75%	21	9.4
75-100%	9	4.0
<u>Bachelor Population</u>		
Less than 25%	88	63.3
25-50%	28	20.1
50-75%	17	12.2
75-100%	6	4.3

were very similar levels of exchange utilization for both married and bachelor personnel. Overall, 67 percent of all respondents indicated that they utilized the exchange for less than 25 percent of their shopping.

Members stated whether civilian retail outlets were closer to their residence than was the nearest exchange. Overall, civilian stores were more conveniently located for 74 percent of all respondents. There was an apparent difference in the proportion of responses of married and bachelor personnel. Approximately one out of three bachelors were closer to an exchange as opposed to approximately one out of four for married personnel. Table 13 gives the specific distributions of responses in this area.

Respondents judged the effect of a discontinuance of the exchange system on their lifestyle. A closing of the exchanges was judged by 50 respondents or 14 percent of all respondents to involve a serious change in lifestyle. The remaining respondents felt that such a closing would minimally effect their lifestyle. The proportion of respondents for this topic was relatively consistent for both married and bachelor populations. Table 14 lists the responses to this question for the total population, married, and bachelor personnel.

The next major section of the questionnaire addressed the area of medical care. The first topic was a choice between military medical facilities and civilian medical facilities for dependent care. Once again, bachelor and married respondents

Table 13

Is the Exchange or a Civilian Retail Outlet
Closer to the Respondent's Residence?

	<u>Exchange</u> Responses/%	<u>Civilian Outlet</u> of Line Total
Total Population	96/26.0	269/74.0
Married Personnel	52/23.0	174/77.0
Bachelor Personnel	44/31.7	95/68.3

Table 14

Would Closing the Exchanges Seriously
Affect Your Lifestyle?

	<u>No</u> Responses/%	<u>Yes</u> of Line Total
Total Population	313/86.2	50/13.8
Married Personnel	193/86.2	31/13.8
Bachelor Personnel	120/86.3	19/13.7

Table 15

Which Do You Prefer for Your Dependent Medical Care -
Civilian or Military Facilities?

	<u>Military Facilities</u> Responses/%	<u>Civilian Facilities</u> of Line Total
Total Population	70/20.0	286/80.0
Married Personnel	44/19.7	179/80.3
Bachelor Personnel	26/19.5	107/80.5

had a very similar proportion of responses. Overall 80 percent of all respondents expressed a preference for civilian care for dependents. Table 15 gives the figures for the married, bachelor, and total populations.

Members stated whether civilian medical facilities were closer to their residence than were military facilities. The overall proportion of responses was relatively stable for both marital categories. Overall, 70.8 percent of all respondents stated that civilian facilities were more conveniently located than were military facilities. Table 16 gives the breakdown of responses for this question.

Members judged whether their present medical care was suitable or not. Overall, only 41.8 percent of all respondents judged their care to be suitable. Bachelor personnel had a much higher degree of general medical satisfaction with 53.0 percent of bachelors stating their care was suitable. Married personnel on the other hand, evaluated their family's medical care as suitable only 34.0 percent of the time. There was a relatively consistent proportion of responses across all pay-grades although officers did seem to have a slightly lower proportion of suitable medical care. Table 17 details the specific proportion of responses to the various populations.

Table 18 gives a breakdown into the three general problem areas that were used to explain why medical care was judged to be unsuitable. The area that was cited most frequently was quality of care which alone accounted for 47 percent of all

Table 16

Which is more conveniently located to a member's residence -
military or civilian medical facilities?

	<u>Military Facilities</u> Responses/% of Line Total	<u>Civilian Facilities</u> Responses/% of Line Total
Total Population	106/29.2	257/70.8
Married Personnel	64/28.4	161/71.6
Bachelor Personnel	42/30.4	96/69.6

Table 17

Is present medical care suitable?

	<u>Suitable</u> Responses/% of Line Total	<u>Unsuitable</u> Responses/% of Line Total
Total Population	147/41.8	205/58.2
Married Personnel	76/34.9	142/65.1
Bachelor Personnel	71/53.0	63/47.0

Specific Paygrades

E-2	5/27.8	13/72.2
E-3	12/32.4	25/67.6
E-4	7/11.1	56/88.9
E-5	9/22.0	32/78.0
E-6	9/11.4	70/88.6
E-7	6/21.4	22/78.6
E-8,9	1/10.0	9/90.0
W-2-4	2/16.7	10/83.3
O-1,2	5/26.3	14/73.7
O-3	5/19.2	21/80.8
O-4	1/8.3	11/91.7
O-5,6	3/25.0	9/75.0

Table 18

Medical Care Deficiency Areas Cited

	<u>Number of Responses</u>
Quality of Care	154
Availability for Appointments	94
Distance to Clinic	80

problems listed. The other two problem areas of distance to the nearest clinic and the availability of appointments were cited much less frequently than was quality of care.

Members made a choice for their own care between the present military health system and a pre-paid health plan which utilizes civilian medical facilities similar to Blue Cross/Blue Shield health insurance plans. The total population opted for a civilian health plan 81.8 percent of the time. Proportions of responses were similar in this area for both bachelor and married personnel. Table 19 lists the specific responses for the married, bachelor, and combined populations.

The final section of the questionnaire covered general compensation issues. The first area considered was whether the present compensation system was equitable (fair) to both bachelor and married personnel. With the entire population, 66.5 percent felt the pay system was not equitable. The bachelor population had an even higher proportion - 73.7 percent - of members who felt the system was not fair to both married and single members. Married personnel thought the system to be unfair 62.1 percent of the time. Table 20 gives a more detailed breakdown of responses.

The desirability of the traditional non-monetary differences between the fringe benefits of officers and enlisted members was evaluated by each respondent. These differences in benefits involve such areas as separate housing areas, separate club facilities, and specific parking spaces set aside for

Table 19

Preference in Health Plans

	<u>Present Health System</u>	<u>Pre-Paid Health Insurance Plan</u>
	<u>Responses/% of Line Total</u>	
Total Population	65/18.2	292/81.8
Married Personnel	38/17.3	182/82.7
Bachelor Personnel	27/19.7	110/80.3

Table 20

Is Present Pay System Equitable for Both
Married and Bachelor Members?

	<u>Yes</u>	<u>No</u>
	<u>Responses/% of Line Total</u>	
Total Population	118/33.5	234/66.5
Married Personnel	83/37.9	136/62.1
Bachelor Personnel	35/26.3	98/73.7

officer personnel. Overall, the traditional policies were endorsed by 62.2 percent of all respondents. There was, however, an apparent difference in the opinions of married and bachelor personnel. Bachelor personnel divided evenly for and against the differences. Married personnel were much more in favor of the traditional policies with 69.7 percent endorsing their continuation. A breakdown by paygrade reveals a similar division of opinion between members of paygrades E-2 to E-5 and all other respondents with the more junior members being less in favor of the non-monetary differences. Table 21 provides the responses for the different populations.

Members chose between the present pay and allowances system and an alternate cafeteria-style program where specific fringe benefits are selected with the remainder of compensation being received as cash. Overall, 66 percent of all respondents preferred the more flexible cafeteria-style compensation plan. Bachelors preferred the alternate system slightly more than did their married counterparts. If responses are broken down by paygrade, it is apparent that there is a noticeable preference for the alternate system by enlisted personnel as opposed to officer members. Table 22 sets forth the responses for the various groupings.

The final topic area required a respondent to chose between the present pay and allowances system and a straight salary system that monetized all parts of the benefit package into a cash salary. The entire population favored the straight salary

Table 21

Are non-monetary compensation differences for
officers and enlisted personnel desirable?

	<u>Yes</u> Responses/% of Line	<u>No</u> Total
Total Population	219/62.2	133/37.8
Married Personnel	152/69.7	66/30.3
Bachelor Personnel	67/50.0	67/50.0

By Paygrade

E-2	7/46.7	8/53.8
E-3	15/40.5	22/59.5
E-4	31/50.8	30/49.2
E-5	18/45.0	22/55.0
E-6	53/67.1	26/32.9
E-7	23/76.7	7/23.3
E-8,9	9/90.0	1/10.0
W-2-4	7/58.3	5/41.7
O-1,2	14/73.7	5/26.3
O-3	20/80.0	5/20.0
O-4	12/100.0	0/00.0
O-5,6	10/83.3	2/16.7

Table 22

Which is preferable - the present system or a
cafeteria-style compensation system?

	<u>Present System</u> Responses/% of Line	<u>Cafeteria-Style System</u> Total
Total Population	120/34.0	233/66.0
Married Personnel	78/35.5	142/64.5
Bachelor Personnel	42/31.6	91/68.4

By Paygrade

E-2	7/43.8	9/56.3
E-3	7/19.4	29/80.6
E-4	19/30.2	44/69.8
E-5	12/29.3	29/70.7
E-6	24/30.4	55/69.6
E-7	13/44.8	16/55.2
E-8,9	0/00.0	10/100.0
W-2-4	3/27.3	8/72.7
O-1,2	11/57.9	8/42.1
O-3	13/50.0	13/50.0
O-4	6/54.5	5/45.5
O-5,6	5/41.7	7/58.3
	60	

system 59.7 percent of the time. The trend of the previous question was reversed however with married personnel being slightly more in favor of a salary system than were bachelor personnel. The trend is also reversed through the paygrades with junior personnel being less in favor of an alternate system than were their seniors. Table 23 gives a detailed listing of responses.

There have been repeated references to apparent differences between certain segments of the total respondent population with regards to certain questions. In many cases these apparent differences were not statistically significant to establish the differences between the two groups at a significance level of .05. However, there were several areas where the groups could be distinguished at this significance level. The bachelor and married personnel groupings revealed a significant difference with respect to their average utilization of government meals. The bachelor population had a higher mean of government mess utilization. These two groups also differed in utilization of the commissary system. The married population utilized commissaries to a higher degree. Table 24 gives the applicable T-test statistics.

If respondents were separated into officers and enlisted groupings, the officers had a higher proportion of married members than did the bachelor group. The officer group also had a shorter trip to the nearest commissary. The officer group also indicated they would be less effected by an elimination

Table 23

Which is preferred - the present pay system or a
straight salary system?

	<u>Salary System</u>	<u>Present System</u>
	Responses/%	of Line Total
Total Population	213/59.7	144/40.3
Married Personnel	140/62.8	83/37.2
Bachelor Personnel	73/54.5	61/45.5
<u>By Paygrade</u>		
E-2	6/35.3	11/64.7
E-3	20/54.1	17/45.9
E-4	29/47.5	32/52.5
E-5	27/62.8	16/37.2
E-6	51/64.6	28/35.4
E-7	14/48.3	15/51.7
E-8,9	9/90.0	1/10.0
W-2-4	12/100.0	0/00.0
O-1,2	9/47.4	10/52.6
O-3	17/65.4	9/34.6
O-4	10/83.3	2/16.7
O-5,6	9/75.0	3/25.0

Table 24

Significant T-Test Statistics

Group 1 - Married Personnel

Group 2 - Bachelor Personnel

Utilization of Government Meals

1 = Less than 25% government meals

2 = 25-50% government meals

3 = 50-75% government meals

4 = More than 75% government meals

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	149	1.4698	0.866	2.00	0.000
Group 2	125	2.0720	1.226		

Utilization of Commissary System

1 = Less than 25% grocery shopping

2 = 25-50% of grocery shopping

3 = 50-75% of grocery shopping

4 = More than 75% of grocery shopping

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	224	2.2366	1.289	2.09	0.000
Group 2	137	1.4526	0.891		

of the exchange system. Table 25 gives the applicable T-test statistics.

If respondents were separated by paygrade into a junior enlisted personnel group, E-5 and below, and a more senior career group of E-6 and above, several significant differences were apparent. The junior grouping was more likely to be assigned to a large afloat unit. The junior group was more likely to utilize government messing facilities. The junior group also used the commissary system less than did the senior group. Table 26 gives the applicable T-test statistics.

Respondents were also grouped by number of dependents with one group being those with three or more dependents and the other group having two or fewer dependents. The group with the larger number of dependents utilized the commissary system to a greater degree than did their counterparts with fewer dependents. The T-test statistics for the significant groupings are summarized in Table 27.

B. COAST GUARD HOUSING QUESTIONNAIRE

This survey was intended to be administered service-wide in order to ascertain the housing situation of all Coast Guard personnel. Surveys were returned by all paygrades from E-1 to O-10. Table 28 gives a breakdown by paygrade of all respondents. There were 22,773 surveys that were returned for compilation of results. Many surveys were not completely filled out for all questions. Unanswered questions were treated as missing values and were not included in any calculations. Therefore,

Table 25

Significant T-Test Statistics

Group 1 - Officer Personnel
 Group 2 - Enlisted Personnel

Travel Time to the Nearest Commissary

- 1 = Less than 15 minutes to the nearest commissary
- 2 = 15-30 minutes
- 3 = 30-45 minutes
- 4 = More than 45 minutes to the nearest commissary

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	82	2.1098	0.981	1.48	0.038
Group 2	278	2.3957	1.193		

Would you be seriously affected by a discontinuance of the exchange system?

- 0 = No
- 1 = Yes

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	82	0.0732	0.262	1.93	0.001
Group 2	281	0.1566	0.364		

Table 26

Significant T-Test Statistics

Group 1 - Members in paygrade E-6 and senior

Group 2 - Members in paygrade E-5 and junior

Are you assigned to a floating unit with a separate messing facility onboard?

0 = No

1 = Yes

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	120	0.0667	0.250	1.46	0.030
Group 2	158	0.1013	0.303		

Utilization of Government Meals

1 = Less than 25% government meals

2 = 25-50% government meals

3 = 50-75% government meals

4 = More than 75% government meals

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	115	1.3913	0.835	1.98	0.000
Group 2	159	2.0000	1.175		

Utilization of the Commissary System

1 = Less than 25% of grocery shopping

2 = 25-50% grocery shopping

3 = 50-75% grocery shopping

4 = More than 75% of grocery shopping

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	201	2.2587	1.293	1.78	0.000
Group 2	160	1.5375	0.971		

Table 27

Significant T-Test Statistics

Group 1 - Members with 3 or more dependents

Group 2 - Members with 2 or less dependents

Utilization of the Commissary System

1 = Less than 25% of grocery shopping

2 = 25-50% grocery shopping

3 = 50-75% grocery shopping

4 = More than 75% of grocery shopping

	<u># Cases</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	122	2.4262	1.342	1.59	0.003
Group 2	239	1.6904	1.063		

Table 28

Respondents by Paygrade

<u>Paygrade</u>	<u># of Responses</u>
E-1	60
E-2	2522
E-3	2402
E-4	3861
E-5	3462
E-6	3540
E-7	1810
E-8	300
E-9	186
W-2	502
W-3	262
W-4	206
O-1	387
O-2	678
O-3	979
O-4	665
O-5	448
O-6	289
O-7	18
O-8	8
O-9	3
O-10	1

for any breakdown by some response characteristic, there will be some number of missing responses where the particular question of interest was left blank.

Members classified themselves as either being married or other. The other classification included widowed, divorced, legally separated, and never married personnel. For convenience, the other category will simply be referred to as the bachelor population. Overall, there were 12,862 married respondents and 9,720 bachelor respondents. There were, however, a sizeable proportion of the bachelor population - 720 respondents or 7.4 percent of all bachelors - who claimed at least one dependent. Table 29 gives a breakdown of respondents by paygrade and marital status.

The respondent population was predominately male. There were 21,838 male respondents as compared to only 801 female respondents.

The first topic considered by the survey addressed family separation in the Coast Guard because of the housing situation at certain assignments. Overall, 84.9 percent of all respondents indicated that they were accompanied by their family at the time of the survey. Only 1.4 percent of all respondents indicated that they were separated from their family primarily because adequate housing was not available at the present duty station. The remaining respondents attributed the family separation to other reasons. Those personnel who attributed their family's separation to a lack of adequate quarters were then

Table 29

Respondents Divided by Paygrade and Marital Status

<u>Paygrade</u>	<u>Married</u>	<u>Single</u>
E-1,2	306	2224
E-3	604	1740
E-4	1353	2453
E-5	1907	1540
E-6	2899	635
E-7	1627	180
E-8,9	434	52
W-2-4	886	83
O-1,2	591	472
O-3	799	180
O-4	599	65
O-5,6	738	37

asked to chose what type of housing they would rather have lived in - government owned/leased quarters or civilian housing - if they had moved their family to the present duty station. Personnel were very evenly divided between government controlled quarters and civilian housing. Members who were currently living in government quarters declared to be inadequate - quarters that did not meet minimum standards for occupancy - indicated if those quarters were accepted to avoid a family separation. A sizeable proportion - 23.0 percent - of those personnel living in inadequate quarters accepted those quarters primarily to prevent a family separation. Table 30 provides a summary of the responses concerning family separation.

The next section required respondents to indicate what type of housing they were currently occupying. There were nine separate housing alternatives from which to chose. Table 31 gives a distribution of responses for all respondents. The nine alternatives for housing can be grouped into three main areas - government owned housing, government leased housing, and civilian housing. Bachelor personnel differed from their married counterparts in the proportion of respondents living in each of the major housing types. Bachelors were more likely to be living in government controlled quarters than were married personnel. Married personnel were also more likely to reside in government leased quarters. Table 32 gives the breakdown of responses for the married, bachelor, and overall populations concerning the three broad classes of housing alternatives.

Table 30

Respondents Concerning Family Separation

	<u>Responses</u>	<u>% of Total</u>
Accompanied by family	11,967	84.9
Separated because of housing	202	1.4
Separated - other reasons	1,925	13.7

Housing Preferences for those Separated because of
Lack of Adequate Housing

Government owned/leased	564	49.6
Civilian housing	573	50.4

Were respondents living in inadequate quarters to
avoid family separations?

Yes	709	23.0
No	2,380	77.0

Table 31

Distribution of Housing Types Utilized by Respondents

	<u># of Respondents</u>
Coast Guard owned housing	2690
DOD owned housing	862
Coast Guard leased housing	2189
Inadequate military housing	165
BEQ/BOQ	2556
Coast Guard cutter	2491
Buying a house	4293
Renting civilian housing	6697
Buying a mobile home	336

Table 32

Distribution of Housing Types Utilized by Respondents
Divided by Marital Status

	<u>Gov Owned Qtrs</u>	<u>Gov Leased Qtrs</u>	<u>Civ Housing</u>
	<u>Responses/% of Line Total</u>		
Bachelor Personnel	4967/53.5	71/0.8	4247/45.7
Married Personnel	3689/28.8	2114/16.5	7013/54.7
Total Population	8656/39.2	2185/9.9	1126/50.9

There were also trends as far as the proportion of the broad classes of quarters occupied by different paygrades. Junior personnel were much more likely to reside in government quarters than were their seniors. Table 33 gives a breakdown by paygrade of quarters occupied by respondents.

Members indicated how many bedrooms were available in their present housing. Table 34 gives the breakdown of responses.

Bachelor members indicated how many roommates they lived with if they rented civilian quarters. A very sizeable proportion of respondents - 40.4 percent - lived with four or more roommates. Table 35 summarizes the responses for this question.

Respondents indicated if they were receiving a cash payment of the Basic Allowance for Quarters (BAQ). Overall, 53.2 percent of all respondents indicated that they were receiving their BAQ in cash. This question was intended for bachelor personnel only. However, a sizeable number of married personnel did, in fact, respond. Bachelor personnel received cash BAQ approximately 46.9 percent of the time. Married respondents indicated receipt of cash BAQ 70.4 percent of the time. Table 36 summarizes the data concerning receipt of BAQ.

Data was also collected concerning receipt of BAS or Com-rats. Overall, 56.7 percent of all respondents indicated receipt of a cash subsistence allowance. Bachelor personnel received a cash allowance 35.2 percent of the time as opposed to 67.9 percent for married personnel. Table 37 provides specific response results for this area for the married, bachelor, and combined populations.

Table 33

Distribution of Housing Types Utilized by Respondents
Divided by Paygrade

<u>Paygrade</u>	<u>Gov Owned Qtrs</u>	<u>Gov Leased Qtrs</u>	<u>Civ Housing</u>
	<u>Responses/% of Line Total</u>		
E-1,2	1792/72.3	28/1.1	657/26.5
E-3	1210/52.5	172/7.5	924/40.1
E-4	1516/40.5	478/12.8	1746/46.7
E-5	1106/32.6	585/17.3	1700/50.1
E-6	1229/35.1	594/17.0	1681/48.0
E-7	674/37.5	195/10.9	926/51.6
E-8,9	154/31.9	23/4.8	306/63.4
W-2-4	295/30.5	47/4.9	624/64.6
O-1,2	277/26.5	40/3.8	727/69.6
O-3	181/18.7	8/0.8	779/80.5
O-4	104/15.7	5/0.8	554/83.6
O-5,6	155/20.0	9/1.2	612/78.9

Table 34

Bedrooms Available in Present Housing

<u>Bedrooms</u>	<u>Responses</u>	<u>% of Total Respondents</u>
1	2880	16.0
2	6246	34.8
3	5230	29.1
4 or more	3608	20.1

Table 35

Number of Roommates for Each Bachelor Respondent
Living in Civilian Housing

<u>Roommates</u>	<u>Responses</u>	<u>% of Total Respondents</u>
0	400	6.7
1	354	6.0
2	853	14.4
3	1929	32.5
4 or more	2399	40.4

Table 36

Were respondents receiving a cash housing allowance?

	<u>Yes</u> Responses/% of Line	<u>No</u> Total
Bachelor Personnel	4293/46.9	4852/53.1
Married Personnel	2340/70.4	984/29.6
Total Population	6633/53.2	5836/46.8

Table 37

Were respondents receiving a cash subsistence allowance?

	<u>Yes</u> Responses/% of Line	<u>No</u> Total
Bachelor Personnel	4601/48.7	4856/51.3
Married Personnel	9746/78.7	2634/21.3
Total Population	14,347/65.7	7490/34.3

The section on monthly housing cost will not be addressed as this thesis is concerned with preferences for compensation as opposed to specific levels of compensation required.

In the next major area, respondents indicated their preference for housing at their current duty station if they were given a choice considering their present income and the local community. Overall, respondents favored government housing 24.1 percent of the time, leased housing 23.4 percent of the time, and civilian housing 52.5 percent of the time. Bachelor personnel preferred civilian quarters more and government quarters less than did the married population. Table 38 summarizes the responses for bachelor, married, and the entire population with regards to housing preference.

There were also some interesting trends in housing preference revealed by dividing respondents by paygrade. Table 39 summarizes a breakdown of respondents by paygrade and housing preference. For enlisted respondents, members in paygrades E-1 and E-2 showed a relatively high preference for government owned quarters. Members in paygrades E-3 to E-5 showed a marked decrease in desire for government quarters and an increase in preference for government leased quarters. Desire for government quarters increased as members advanced to paygrades E-6 and E-7. Officer personnel were much more interested in civilian housing than were the enlisted paygrades.

If housing preference is analyzed by marital status and paygrades, further insights are provided. Bachelors in paygrades

Table 38

Given your present duty station and earnings,
what type of housing would you prefer?

	<u>Gov Owned Qtrs</u>	<u>Gov Leased Qtrs</u>	<u>Civ Housing</u>
	<u>Responses/% of Line Total</u>		
Bachelor Personnel	1799/21.6	1718/20.6	4826/57.8
Married Personnel	3206/25.9	3133/25.3	6063/48.9
Total Population	5005/24.1	4831/23.4	10889/52.5

Table 39

Housing Preference Divided by Paygrade

<u>Paygrade</u>	<u>Gov Owned Qtrs</u>	<u>Gov Leased Qtrs</u>	<u>Civ Housing</u>
	<u>Responses/% of Line Total</u>		
E-1,2	685/33.9	443/21.9	895/44.2
E-3	442/21.4	553/26.8	1068/51.8
E-4	683/19.6	1071/30.7	1730/49.7
E-5	669/20.5	1051/32.2	1547/47.4
E-6	992/29.4	935/27.7	1449/42.9
E-7	552/30.3	372/21.6	827/48.1
E-8,9	117/25.0	77/16.5	274/58.5
W-2-4	252/27.0	131/14.1	549/58.9
O-1,2	236/22.9	125/12.1	670/65.0
O-3	139/14.4	59/6.1	765/79.4
O-4	94/14.5	23/3.5	533/82.0
O-5,6	168/22.0	27/3.5	567/74.4

E-1 to E-3 prefer government quarters more than do their married counterparts. Bachelors in these paygrades also prefer civilian quarters more than do the married personnel. For all other paygrades, bachelors desired government housing less and civilian housing more than their married cohorts. Table 40 summarizes the data of housing preference by paygrade controlled for marital status.

A measure of how closely a member's preferred housing situation is being met at his present duty station can be obtained by comparing each respondent's present housing arrangements to their housing preference. This was conducted on both the married and bachelor populations. There was an apparent discrepancy between the two groups. The bachelor group's current housing was other than the category preferred 47.1 percent of the time. Married personnel were in a not preferred category of housing only 31.0 percent of the time. Table 41 provides the specific response distribution for both groups.

Members evaluated whether their present housing was suitable. Overall, 61.1 percent of all respondents felt their housing was suitable. For bachelor personnel, only 51.8 percent felt their housing was suitable. Married personnel judged their housing suitable 67.3 percent of the time. Table 42 gives the actual distribution of responses for the bachelor, married, and total populations.

Trends were apparent by paygrade in the proportion of respondents with regards to the suitability of housing. Respondents

Table 40

Housing Preferences Divided by
Marital Status and Paygrade

Bachelor Personnel

<u>Paygrade</u>	<u>Gov Owned Qtrs</u>	<u>Gov Leased Qtrs</u>	<u>Civ Housing</u>
	<u>Responses/% of Line Total</u>		
E-1,2	602/35.2	326/19.1	781/45.7
E-3	315/22.1	283/19.8	830/58.1
E-4	401/18.7	488/22.7	1258/58.6
E-5	205/14.4	354/24.8	869/60.9
E-6	100/17.4	126/21.9	350/60.8
E-7	35/21.5	29/17.8	99/60.7
E-8,9	10/20.0	6/12.0	34/68.0
W-2-4	13/18.3	9/12.7	49/69.0
O-1,2	85/18.8	61/13.5	306/67.7
O-3	14/8.0	20/11.5	140/80.5
O-4	4/6.6	2/3.3	55/90.2
O-5,6	4/11.4	6/17.1	25/71.4

Married Personnel

E-1,2	77/27.5	108/38.6	95/33.9
E-3	123/20.0	269/43.7	223/36.3
E-4	273/21.2	568/43.9	454/35.1
E-5	461/25.2	694/38.0	673/36.8
E-6	891/31.9	808/28.9	1069/39.2
E-7	487/31.3	341/21.9	728/46.8
E-8,9	107/25.6	71/17.0	240/57.4
W-2-4	239/27.8	122/14.2	499/58.0
O-1,2	151/26.2	63/10.9	363/62.9
O-3	125/15.8	39/4.9	625/79.2
O-4	90/15.3	21/3.6	477/81.1
O-5,6	163/22.5	21/2.9	542/74.7

Table 41

Was the housing preferred actually the housing utilized?
Respondents are Divided by Marital Status

Bachelor Responses

Housing Preferred

<u>Housing Utilized</u>	<u>Gov Owned Qtrs</u>	<u>Gov Leased Qtrs</u>	<u>Civ Housing</u>
Gov Owned	<u>1328</u>	700	1752
Gov Leased	12	<u>45</u>	11
Civilian	406	882	<u>2861</u>

Married Responses

Gov Owned	<u>2201</u>	555	761
Gov Leased	292	<u>1390</u>	344
Civilian	701	1177	<u>4945</u>

Underlined numbers indicate those respondent's whose preferred housing was the actual type of housing utilized.

Table 42

Were Quarters Suitable?
Respondents are Divided by Marital Status

	<u>Unsuitable</u> Responses/% of Line	<u>Suitable</u> Total
Bachelor Personnel	4011/48.2	4311/51.8
Married Personnel	4076/32.7	8398/67.3
Total Population	8087/38.9	12711/61.1

in paygrades E-2 to E-5 had a lower percentage of members in suitable quarters than did members of all other paygrades.

Table 43 summarizes the response data by paygrade.

There were noticeable differences in proportions of members who judged their quarters as suitable for each major category of housing. For all respondents, government quarters had the lowest percentage of suitable evaluation - only 53.6 percent as compared to 68.8 percent for leased quarters and 64.7 percent for civilian housing. These overall figures are remarkably different if marital status is taken into account. Married personnel had relatively stable levels of suitable quarters in all three major housing categories - 66.6 percent in government quarters, 69.0 percent in government leased quarters, and 69.0 percent in civilian housing. Bachelor personnel, however, varied widely across housing categories. For government quarters only 41.4 percent of the bachelors judged their housing suitable as compared to 62.3 percent for leased housing and 60.6 percent for civilian housing. In all categories of housing, a lower proportion of bachelor personnel judged their quarters as suitable than did their married counterparts. Table 44 provides specific response distribution concerning the suitability of each category of housing for the bachelor and married populations.

Members could chose between seven discrepancy areas as to the reason that the quarters were unsuitable. Table 45 gives an overall distribution of discrepancy areas cited and a

Table 43

Were Quarters Suitable?
Respondents are Divided by Paygrade

<u>Paygrade</u>	<u>Unsuitable</u> Responses/% of Line	<u>Suitable</u> Total
E-1,2	963/47.6	1058/52.4
E-3	1002/48.5	1063/51.5
E-4	1585/45.6	1889/54.4
E-5	1370/42.0	1894/58.0
E-6	1218/35.8	2180/64.2
E-7	538/31.1	1193/68.9
E-8,9	133/28.1	341/71.9
W-2-4	295/31.1	654/68.9
O-1,2	331/32.1	700/67.9
O-3	280/29.0	684/71.0
O-4	172/26.4	480/73.6
O-5,6	220/29.0	539/71.0

Table 44

Proportions of Suitable Housing for
Each Major Category of Housing
Respondents were Divided by Marital Status

Government Owned Housing

<u>Suitability</u>	<u>Bachelor</u>	<u>Married</u>	<u>% of Category Total</u>
Unsuitable Qtrs	2191	1174	46.4
Suitable Qtrs	1548	2345	53.6

Government Leased Quarters

Unsuitable Qtrs	26	640	31.2
Suitable Qtrs	43	1426	68.8

Civilian Housing

Unsuitable Qtrs	1648	2252	35.3
Suitable Qtrs	2531	4602	64.7

Table 45

Housing Discrepancy AreasAll Respondents

	Responses/% of Total
Inadequate utilities	2128/14.4
Equipment	1139/7.7
Number of bedrooms	1990/13.5
Excessive commuting time	1749/11.8
Structural conditions	2944/19.9
Neighborhood	1817/12.3
Cost	3019/20.4

Bachelor Respondents

Inadequate utilities	1405/19.2
Equipment	729/10.0
Number of bedrooms	914/12.5
Excessive commuting time	482/6.6
Structural conditions	1526/20.9
Neighborhood	977/13.4
Cost	1285/17.6

Married Respondents

Inadequate utilities	702/9.7
Equipment	401/5.5
Number of bedrooms	958/13.2
Excessive commuting time	1263/17.4
Structural conditions	1388/19.2
Neighborhood	825/11.4
Cost	1705/23.5

breakdown of discrepancies by marital status. There were, for the most part, similar proportions across all populations. Bachelor personnel cited inadequate utilities and equipment proportionally more than did the married population. Married personnel cited excessive commuting time much more than did bachelor personnel.

Respondents indicated the type of transportation routinely used to commute to their duty station if their residence was off-base. Overall, 70.0 percent of the population used their own private automobile to commute. Bachelor personnel were slightly more likely to use their own car or public transportation than were married personnel. Married personnel arranged for car pools more often than did bachelors. Table 46 breaks down responses with regard to modes of transportation.

Data was also gathered concerning individual's commuting time from their residence to their duty station. Overall, 68.9 percent of all respondents lived within 30 minutes of their duty station. Bachelors tended to live closer to base with 76.2 percent within 30 minutes commute. Table 47 gives the distribution of one-way commute times.

The remainder of the questionnaire did not address members' preferences for compensation and therefore, was not analyzed.

The differences in proportions of responses in many areas were sufficient to enable the groups to be distinguished from each other at a significance level of .05. The bachelor population tended to prefer civilian housing more so than did the

Table 46

Transportation Used to Commute to Duty Station

	<u>Personal Car</u> Responses/% of Line	<u>Car Pool</u> Responses/% of Line	<u>Public Trans</u> Total
Bachelor Personnel	3340/72.6	743/16.1	520/11.3
Married Personnel	7307/68.9	2569/24.2	725/6.8
Total Population	10647/70.0	3212/21.8	1245/8.2

Table 47

Time Required to Commute from Residence to Duty Station

	<u>Less than</u> <u>30 min</u> Responses/% of Line	<u>Less than</u> <u>60 min</u> Responses/% of Line	<u>More than</u> <u>60 min</u> Total
Bachelor Personnel	4943/76.2	1151/17.7	395/6.1
Married Personnel	7975/65.0	3389/27.6	902/7.4
Total Population	12918/68.9	4540/24.2	1297/6.9

married population. Bachelors also judged their quarters as unsuitable more often than did the married personnel. Table 48 summarizes these T-test statistics.

If the respondent population were divided into two groups - a junior group composed of paygrades E-1 to E-5 and a senior grouping composed of the remaining paygrades - significant differences in attitudes were apparent. The junior grouping as a whole preferred government quarters more than did the senior group. The junior group judged their quarters unsuitable more often than did the seniors. The junior grouping was also more often single than was the senior group. Table 49 provides the T-test statistics.

If the respondents were divided into officer and enlisted groupings, the two groups could not be distinguished at a .05 significance level as far as housing preferences.

Table 48

Significant T-Test Statistics

Group 1 = Married Personnel
 Group 2 = Bachelor Personnel

Housing Preference

- 1 = Prefer government owned housing
- 2 = Prefer government leased housing
- 3 = Prefer civilian housing

	<u># Cases</u>	<u>Mean</u>	<u>Std Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	12402	2.2304	0.833	1.05	0.019
Group 2	8343	2.3628	0.814		

Are Current Quarters Suitable?

- 0 = No
- 1 = Yes

	<u># Cases</u>	<u>Mean</u>	<u>Std Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	12474	0.6732	0.469	1.13	0.000
Group 2	8324	0.5181	0.500		

Table 49

Significant T-Test Statistics

Group 1 = Members in paygrades E-6 to O-6
 Group 2 = Members in paygrades E-1 to E-5

Housing Preference

- 1 = Prefer government owned housing
- 2 = Prefer government leased housing
- 3 = Prefer civilian housing

	<u># Cases</u>	<u>Mean</u>	<u>Std Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	9903	2.3145	0.851	1.12	0.000
Group 2	10837	2.2548	0.805		

Are Current Quarters Suitable?

- 0 = No
- 1 = Yes

	<u># Cases</u>	<u>Mean</u>	<u>Std Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	9958	0.6800	0.467	1.14	0.000
Group 2	10824	0.5455	0.498		

Marital Status

- 0 = Bachelor
- 1 = Married

	<u># Cases</u>	<u>Mean</u>	<u>Std Deviation</u>	<u>F Value</u>	<u>2-Tail Prob.</u>
Group 1	10277	0.8342	0.373	1.64	0.000
Group 2	12163	0.3458	0.476		

V. ANALYSIS

There is one result of both surveys that seems at first glance to be relatively minor but is of great overall importance. That result is the distribution of bachelor personnel throughout the respondent populations. For both surveys, the bachelor respondents were concentrated in the junior paygrades - E-1 to E-5. The present compensation package is slanted specifically towards married personnel. The bachelors' needs and problems are for the most part, ignored. The services have traditionally indicated that if their pay policies do not meet bachelor needs they can do one of two things - get out or get married. Service reenlistment rates for first termers give a good measure of the lack of attention to adequate bachelor compensation. Of course there are a lot of factors that go into the retention decision and compensation is only one. However, if a member feels that the service is sincerely concerned with their individual needs and that compensation is equitable, the probability of reenlistment would have to be higher than at present.

The respondents in paygrades E-6 and above were predominately married. However, these career personnel were far from adhering strictly to the present pay and allowance system. As members become more senior and accept more job responsibility, they also become more independent and self-reliant. The surveys'

results indicate a lessening of support by these more senior personnel of the present benefit package which may seem overly paternalistic. This group of personnel is more willing to shop in the civilian market whether it be for groceries, medical care, or housing.

A. GOVERNMENT MESSING FACILITY POLICIES

Approximately one-third of the enlisted respondents to the Compensation Alternatives survey were not receiving a cash subsistence allowance. Only 24 of those not receiving a cash allowance were assigned to large floating units. A large percentage of respondents not presently receiving a cash allowance indicated their preference to receive the cash allowance if given the choice. Therefore, it is not their choice to receive their meals in-kind. This result would indicate non-compliance with the Commandant's guidance to grant Comrats to the maximum extent possible to members on shore duty. Those members not receiving a cash allowance still do not utilize government facilities for a high percentage of their meals. Of all the members receiving their meals in-kind, fully 45.9 percent actually ate less than half their meals at government facilities. This figure matches closely with previous studies conducted with other services. [Ref. 8:54]

The prevalent system of prepared menus was supported by a strong majority of respondents and in particular by those members receiving their meals in-kind. There was, however, fairly strong support for the short-order grill alternative which

gathered the support of 40 percent of the respondents. Obviously, a combination of the two alternatives would meet the needs of the entire population better than either alternative alone. Units might consider such a combination operation if facilities are at all available.

The respondents who were embarked on large floating units expressed a degree of interest in a cash subsistence allowance similar to their compatriots assigned to shore units. A switch to a pay as you eat system, at least in port, seems to be indicated. Members desire a choice as to where they eat. Present policies require members on ships to forego their subsistence allowance and utilize their base pay if they chose to eat at civilian sources.

B. COMMISSARY/EXCHANGE SYSTEM

The commissary utilization figures provided a good indication of the slanting of the present compensation system towards married personnel. Fully 75 percent of all bachelors used the commissary for less than 25 percent of their shopping. The value of this benefit to members who never utilize it must be minimal. The retention effect of funds spent for commissary operation on bachelors is probably small.

Although they used the commissaries considerably more than the bachelors, a sizeable portion of the married respondents utilized the commissary for less than a quarter of their grocery shopping. A large portion of the low utilization of the commissary can probably be explained by excessive travel time.

However, married members also were much more likely to term their commissaries as overcrowded than were bachelor respondents. This inconvenience combined with the fact that civilian outlets are readily available resulted in a large majority of married respondents supporting a plan to close the commissary and requiring members to utilize civilian sources. Some measure of the lost commissary savings would be included in each member's salary. This alternative was supported even by those personnel who currently live within 15 minutes of a commissary. Surprisingly, the bachelor population was slightly less in favor of the alternative system than was the married population. This is a measure of the willingness and preference of the generally more senior married personnel to utilize civilian sources if possible.

There did not seem to be any major difference between married and bachelor personnel with regards to their utilization of the exchange system. The exchange system, while it appears at first glance to be of most benefit to married personnel, is apparently utilized to a slightly higher degree by bachelor personnel. The higher utilization by bachelors is probably explained by the sheer convenience factor of exchanges being located on base close to the government owned housing for single personnel.

A large proportion of respondents indicated an indifference to the closing of the exchange system. This indifference was very similar for both married and bachelor members. The overall

response indicates a failure of the exchange system to meet the needs and expectations of service members. These needs are apparently better met by the civilian economy. If an item is not specifically military in nature, one of the large retail stores can obtain it more inexpensively and in larger variety than can any local exchange.

C. MEDICAL CARE

Medical care and, in particular, dependent medical care is another benefit that is at first glance of more benefit to married members than to bachelor members. The survey results indicate that the medical care provided by the military is not meeting the needs of the members with a family. Only approximately one-third of all married respondents felt their medical care was suitable. While considerably higher in percentage, only one-half of the bachelor respondents felt their care was suitable. Evidently military medical care is one so-called benefit that is actually considered as a detriment of military service - particularly for married members. The overall percentage of members who felt their medical care was unsuitable was much higher - 60 percent approximately - than the study conducted by the President's Commission on Military Compensation which found 20 percent dissatisfaction level. [Ref. 17:171]

The quality of military care was questioned by many respondents. Quality of care was the most often cited medical discrepancy area. Quality of care covers a wide area involving such things as confidence in military doctors' abilities and

knowledge, timely service, and the attitudes of attending personnel towards patients. The large majority of respondents desired civilian medical care for both the service member and all dependents. Approximately 80 percent of all respondents desired civilian care for themselves and their families. Considering that 41 percent of all respondents judged their present medical care as suitable, a sizeable proportion of these personnel still preferred civilian care. There appears to be an increased confidence in the quality of medical care available from civilian sources as opposed to military sources. The results indicated that civilian sources are on the whole more conveniently located than are military hospitals. However, respondents again indicated a willingness to go to some inconvenience as far as travel for civilian care. The percentage of members desiring civilian care was greater than the percentage of members who were located more conveniently to civilian medical facilities.

The operation and efficiency of the CHAMPUS system was not specifically addressed by either survey. However, there were a number of write-in discrepancies to the medical section that addressed the deficiencies of CHAMPUS. There was solid support of the pre-paid health plan alternative for active duty care. This solid support would seem to indicate a preference for civilian medical care with a minimum of paperwork. The administrative requirements, antiquated rates, and glacial response of CHAMPUS has made civilian medical care for dependents a

great burden financially for many members. Civilian care is highly desired; a simplified payment procedure to CHAMPUS is definitely required.

D. GENERAL COMPENSATION ISSUES

The present pay policies were not felt to be equitable by a large majority of all respondents. The bachelor population does not receive as many benefits as does the married population. The personnel suffering under inequitable compensation policies are again concentrated in paygrades E-2 to E-5 and will soon make their first reenlistment decision. Evidently some changes must be made to the present pay system to address the problem of equitable pay for both bachelor and married personnel.

The question of the traditional non-monetary rewards provided by the military had interesting results. The overall strong support of the traditional systems is deceiving. A majority of the members of paygrades E-2 to E-5 did not support the traditional separations between officer and enlisted personnel or between senior and junior enlisted personnel. Interestingly, the warrant officers supported the present system but by a lesser degree than did the chief petty officers or the more senior officers. The present system of separate clubs and separate housing does reinforce the differences in the rank structure. It does not convey, however, a sense of belonging or acceptance into the organization for junior personnel. The resultant feeling is that the organization and senior personnel in general do not care about the junior members. The

implication is that the junior members are not suitable for social contact in other than a working atmosphere. This feeling of rejection by senior personnel who have made the service a career could result in many junior members rejecting the service when it comes time to reenlist. The emphasis on class differences obviously also affects the warrant officer population. A portion of their good friends still remain chief petty officers. The enforced separation of enlisted and officer personnel puts a strain on those friendships.

The cafeteria-style benefit package received wide-spread support by all respondents. The officer paygrades of O-1 to O-4 were less supportive of this alternative than were the enlisted paygrades on the whole. The attraction of this alternative to the junior personnel is the possibility for increased flexibility in benefits with a resulting increase in equity. If a member never utilizes one of the benefits presently provided, the cafeteria alternative provides for a cash payment in lieu of the benefit. The alternative plan need not imply either the present benefit or a cash payment. For example, alternative health plans could be offered.

The greatest improvement would be the increased responsiveness of the pay system to each individual's desires. The organization would be seen as meeting the individual's needs instead of requiring the individual to adapt to service policies. This simple change in attitude could have a great effect on retention.

AD-A111 756

NAVAL POSTGRADUATE SCHOOL MONTEREY CA
COAST GUARD COMPENSATION ALTERNATIVES.(U)
DEC 81 G K SOOY

F/8 5/3

UNCLASSIFIED

NL

2 of 2

411 A
11 FEB 82

END

DATE
FILMED

04-82

DTIC



2.8 2.5



MICROCOPY RESOLUTION TEST CHART

ANSI #2 - 1963

A straight salary system also received considerable support with a majority of respondents preferring an alternative salary system to the present pay and allowances system. A salary system would greatly increase the visibility of military pay and enable members to realize their exact level of compensation. The salary system was not, however, strongly supported by the junior paygrades - E-2 to E-5 - who split approximately evenly between an alternate salary system and the present pay and allowances system. Evidently a sizeable portion of those junior personnel are not confident of their ability to maintain their present standard of living if a salary system were implemented. Quite possibly junior personnel have little idea of exactly how much additional money would become available if the salary system was implemented. Their present salary level is at such a level that living in an expensive housing area would consume most of their base pay. Their BAQ payments are much lower than those paid more senior service members. The tax advantage is virtually nonexistent because their present pay levels put them in very low tax brackets and monetarizing their housing and subsistence allowances would not greatly change their brackets. A combination of the above factors explain the tendency of junior enlisted personnel to prefer the present pay system.

More senior personnel receive higher levels of pay and allowances. They are more independent and willing to fend for themselves in the civilian marketplace. A straight salary system would give them more flexibility to spend their compensation money as they see fit.

E. HOUSING POLICIES

A major finding from the housing survey was the desire by a wide cross-section of personnel for government leased housing. The proportion of respondents who indicated a desire for leased quarters at their present duty station was much higher than the proportion of personnel actually living in leased quarters. This was particularly evident for bachelor personnel who at the time of the survey had a very low percentage of respondents living in leased housing. Leased housing is apparently the best of both worlds. The government pays all housing costs while quarters are located in the civilian community with a minimum of command interference on off-duty lifestyles.

Survey results indicate that housing policies have differing effects on married and bachelor personnel. A married member was more likely to be housed in the type of quarters preferred for the specific duty station than were bachelor personnel. This reflects a greater flexibility for married housing which provides for greater individual input into specific housing arrangements. Bachelor personnel were more likely to be assigned to government owned quarters with no individual input as far as housing preference. This tendency is probably explained by the excess demand for married government housing which gives married personnel more options for housing. The rigidity of bachelor housing assignments is probably the result of the organization not trusting individuals to make their own housing arrangements and an attempt to achieve equity by treating each member the same regardless of individual preferences.

The service has traditionally enforced a relatively regimented lifestyle for bachelor enlisted quarters (BEQ) residents. The regulations controlling behavior are intended to set limits on individual behavior to best meet the housing desires of a large number of personnel. Although beneficial for maintaining harmony on a large scale, the barracks regulations continually project the service and its rules into each resident's off-duty hours. BEQ residents can never really get away from an on-the-job atmosphere. Over time individuals tend to seek more control of their off-duty life. This might explain why the proportion of bachelor respondents desiring government quarters goes down as individuals advance in paygrade from E-2 to E-5. If the desire for greater freedom and independence in off-duty hours of more senior personnel is not met and individuals are required to remain in BEQ's, resentment against the service as a whole may well be generated. Again, service policies are tending to alienate the junior petty officers - E-4s and E-5s - just at the time when the reenlistment decision is being made by those same individuals.

The housing survey results indicate that a much higher percentage of bachelor personnel receive a cash housing allowance than was indicated by previous studies of other services. For the Coast Guard bachelors, 46.8 percent were receiving a cash allowance as compared to 13 percent in a previous study of another service. [Ref. 13:2] The percentage of married personnel receiving a cash allowance was 70 percent which was very similar

to the previous study. At the same time, approximately 13.7 percent of the bachelors not receiving a cash allowance were in fact living in civilian housing. This percentage was very similar to results of a previous study of other services. [Ref. 14:38] This is a measure of the extent to which individuals will go to have some measure of independence from the service on their off-duty hours.

By the same token, if government quarters are not available, bachelor personnel are pretty much left on their own to find civilian quarters. In most metropolitan areas, one military individual has a very hard time meeting the cost of monthly rent, utilities, and security deposits. This fact is well documented by the high percentage of bachelors living on the civilian economy with four or more roommates. It is very difficult for bachelor individuals reporting to a new unit to make connections with members already established in a civilian housing situation. Even when housing is arranged, individuals must still find replacements for roommates who are transferred to other assignments. Overall, bachelors in civilian housing, particularly in junior paygrades where BAQ rates are low, have a difficult time establishing and maintaining a civilian residence.

The process of establishing a civilian residence is no less arduous for a married member. The "with dependents" BAQ rate is somewhat greater than the "without dependents" BAQ rate but not by any great amount. Married personnel in general preferred civilian quarters less than did bachelor respondents. Quite

probably this was because they could not afford civilian quarters any better than bachelor members could. The difference is that the leased housing program was in effect and government quarters, if available, were for the most part more acceptable to married personnel.

The proportions of members who judged their quarters as suitable reflected the different housing situations of married and bachelor personnel. Bachelors judged their quarters unsuitable a much higher proportion of the time than did married personnel. The level of dissatisfaction was higher for bachelors for all types of housing - government owned, government leased, or civilian. Bachelors' dissatisfaction probably resulted from a lack of flexibility in housing assignments. Either the government had quarters available and bachelors were required to live there; or there were no government quarters and civilian housing was the only option. Bachelor individuals had very little choice as far as housing assignments and a high proportion were dissatisfied with their housing arrangements. Although considerably higher than the bachelor respondents, a sizeable proportion - 32.7 percent - of married individuals also judged their housing as unsuitable. Dissatisfaction with housing was greatest in the junior paygrades. This dissatisfaction with the quality of housing undoubtedly had a negative effect on individuals' reenlistment decisions.

VI. CONCLUSIONS AND RECOMMENDATIONS

A. POSSIBLE COMPENSATION CHANGES

The most obvious finding of both surveys was a desire by sizeable portions of all respondents for changes in the present compensation system. In general, present pay policies are not flexible enough to cope with individual preferences in the many varied aspects of compensation. Specific policy changes that might be indicated by the surveys are as follows:

1. BAQ should be granted to all bachelor personnel who desire to seek civilian housing. Even if there are available barracks spaces, members should be allowed maximum freedom to seek their preferred type of housing. In the long run, allowing this freedom would increase individual satisfaction and reduce the present administration problems experienced in running BEQ's where sizeable portions of the residents desire to live elsewhere.

2. Leased housing should be expanded for both married and bachelor personnel. There is a sizeable portion of both populations who prefer this housing option over the other more extreme options of government or civilian housing.

3. Comrats should be granted to all members who desire it. Present policy calls for maximum granting of Comrats for personnel assigned to shore units. In fact, there are still large numbers of personnel who desire a cash subsistence allowance

who are required to receive their meals in-kind. The privilege of receiving a cash allowance should be extended to those personnel who are assigned to large afloat units. This would eliminate one of the disadvantages of sea duty.

4. The Coast Guard should, to the maximum extent possible, get out of the exchange business. Exchanges are only required in isolated or overseas locations where civilian alternatives are not available.

5. Civilian medical care should be sought for both dependent and active duty care. The health plan for civilian care should be a pre-paid plan similar to Blue Cross/Blue Shield as opposed to a reimbursement plan like CHAMPUS. Military medical care should again be reserved only for isolated or overseas units.

6. The service should adopt a cafeteria-style benefit package. This type plan would result in every expenditure on compensation being valued by its recipients. Individual desires for compensation would be better accommodated. The more senior personnel could draw a majority of their compensation in cash which was their indicated preference. Junior personnel could retain the portions of the benefit package which appeal to them most. This system would promote equitable compensation for all personnel.

7. At least some portion of the present non-monetary compensation policies should be altered to provide some sense of belonging to the organization for junior enlisted personnel.

Perhaps this could be done by providing a petty officer's club for paygrades E-4 to E-9. If more senior members opt for civilian housing, the vacated government quarters could be utilized by junior personnel. These changes could result in an improved attitude for junior personnel about the Coast Guard as an organization that is concerned with people as individuals.

B. AREAS FOR FURTHER STUDY

Obviously, if a cafeteria-style compensation plan were implemented, there would have to be a large scale effort to put some monetary value on services that are presently provided. The market value of housing and meals would have to be established. If members prefer to shop from civilian grocery outlets, some measure on monthly commissary savings per individual would have to be established. A study should establish the value that members put on the monthly savings provided by the commissary system. The value assigned by individual members may very well be less than the present expense to provide the commissary system. If so, members could be compensated in cash and the commissary system could be abolished for all but isolated units.

Another study could establish to what extent members would be willing to pay for civilian dependent and active duty medical care. The desire for civilian medical care seems great enough that members may well be willing to share some portion of the expense for a pre-paid health plan with the government.

APPENDIX A
COAST GUARD HOUSING QUESTIONNAIRE

Note: This questionnaire has been retyped in a different format from the original. However, the questions and wording are the same.

COAST GUARD HOUSING QUESTIONNAIRE

1. Name: _____

2. What is your paygrade? _____

3. What is your marital status?

M _____ Married

O _____ Other (widowed, divorced, single, legally separated)

4. Male or Female?

M _____ Male

F _____ Female

5. Your Dependents (not including your spouse)

For purposes of this survey a dependent is someone who counts towards your BAQ payment and who would normally live with you. (Do not include your spouse)

<u>No.</u>	<u>Age</u>	<u>Sex</u>
1		
2		
3		
4		
5		
6		
7		
8		

Age should be to the nearest whole year. Use "M" for Male and "F" for Female. List a maximum of 8 dependents only.

Married Only

6. Are you now accompanied by your family?

A _____ Yes (omit question 7)

B _____ No, Mainly because adequate housing is not available. (answer question 7)

C _____ No, mainly for other reasons. (omit question 7)

7. For those of you who answered 6B above if you had brought your family with you which type of housing would you rather have moved into?

A _____ Government owned/leased

B _____ Civilian housing

8. If you live in government quarters officially declared inadequate (forfeiting) all or a part of your BAQ, did you choose that type housing to prevent separation from your family?

A Yes

B No

9. In what type of housing are you now living?

A I live in C.G. owned government housing

B I live in DOD owned government housing

C I live in Coast Guard leased housing

D I live in military housing officially declared inadequate (forfeit any or all BAQ)

E I live in government controlled BEQ/BOQ facility

F I live aboard a C.G. cutter

G I own or am buying a house

H I am renting off base civilian house, apartment or mobile home.

I I own or am buying a mobile home

10. How many bedrooms are there in the housing where you live?

Bachelors Only

11. If you rent do you share quarters with:

A No one B One other person C Two other persons

D Three other persons E More

12. Are you drawing BAQ? A YES B NO

To Be Answered By All Personnel

13. Are you drawing BAS or Comrats? A YES B NO

14. If you rent or are purchasing a home, how much does your housing cost? (Average per month) (Your individual cost only - not the total amount paid by you and your roommates)

Rent _____

Mortgage _____

Property Taxes _____

Property Insurance _____

Utilities (Heat, light, water) _____

Take this amount to the nearest dollar and print in the space below. (If your average monthly housing cost is \$98 the correct figure to put in the space is 098)

15. Considering your present income, the local community, and the housing you now occupy, would you prefer to:

A _____ Live in government owned housing

B _____ Live in government leased housing

C _____ Rent civilian housing

D _____ Buy civilian housing

16. Considering your present income and the local community, do you feel that the housing you now occupy is suitable or unsuitable:

A S _____ Suitable

U _____ Unsuitable (Check one or more)

B _____ Inadequate utilities

F _____ Structural Conditions

C _____ Equipment

G _____ Neighborhood

D _____ Number of bedrooms

H _____ Cost

E _____ Excessive commuting time

17. If you live off base, what means of transportation do you use to report for duty?

A _____ Your own car B _____ Carpool C _____ Public transportation

D _____ Other (Specify) _____

18. How long does it take you to travel one way from your residence to your duty station?
- A Less than 30 minutes
B Less than 60 minutes
C More than 60 minutes
19. How many miles is it one way from your residence to your duty station?
20. Which of the following was the most important factor in obtaining your first permanent residence at your present unit?
- A My own efforts
B Efforts of friends or relatives
C Efforts of my sponsor
D Efforts of my unit's housing representative or other unit official
21. How long did it take you to find your first permanent residence at your present duty station?
- A About a week
B About two weeks
C About three weeks
D About a month
E Over a month
22. If you own or are buying a home or mobile home at your present duty station, what was the:
- Year purchased 78, 79, etc... A
Purchase price (in dollars) B
23. When you received orders to your current permanent duty station, did you also receive an information packet about government and community housing in the area from your new unit or the district office?
- A Yes-did not request packet B Yes-had to request packet
C No D No-did not know packets were available
E No-requested a packet but did not receive one

24. Were you assigned a "sponsor" (a member from your new command) to help you and your family get settled in the area when you were transferred to your current unit?
- A Yes-I requested a sponsor
- B Yes-A sponsor was assigned without requesting
- C No-I did not want a sponsor
- D No-I did not know about the sponsor program or that someone was available to help us
- E No-I requested a sponsor but none was assigned
25. What was the approximate out-of-pocket expense you incurred during your last PCS move? (Include non-reimbursable expenses such as food, lodging, tolls, etc.)

Additional Comments:

APPENDIX B

COMPENSATION ALTERNATIVES QUESTIONNAIRE

1. Present paygrade: _____ 2. Marital status: _____
3. Number of dependents: _____ (For purposes of this survey a dependent is someone who counts towards your BAQ payment and who would normally live with you.)
-

Questions 4 through 9 concern mess hall food service and are for enlisted personnel only.

4. Are you drawing BAS or Comrats? YES NO (circle one)
5. Are you assigned to a ship which provides a separate eating facility? YES NO (circle one)
6. What percent of your meals do you eat at the mess hall?
- _____ Less than 25%
- _____ 25-50%
- _____ 50-75%
- _____ 75-100%
7. Considering your present income and duty assignment, do you feel that the mess hall food service is:
- _____ Suitable
- _____ Unsuitable (check one or more)
- _____ Hours of operation
- _____ Quality of food
- _____ Limited menu
- _____ Uniform requirements
- _____ General atmosphere, i.e., noise, seating arrangements, etc.
- _____ Other _____
-

8. Would you prefer a short-order grill type mess hall to a system of prepared meals from published menus?

_____ Short-order grill _____ Prepared menus

Question 9 is only for those personnel not receiving BAS or Comrats.

9. Considering your present income and the local community, would you prefer the present mess hall system or to receive BAS or comrats and utilize eating facilities other than the mess hall?

_____ Present system _____ Prefer to receive BAS or Comrats

Question 10 through 17 concern the commissary and exchange systems.

10. How long does it take you to travel to the nearest commissary?

_____ Less than 15 minutes
_____ 15 to 30 minutes
_____ 30 to 45 minutes
_____ More than 45 minutes

11. What percent of your monthly grocery shopping do you do at the commissary?

_____ 0 to 25%
_____ 25 to 50%
_____ 50 to 75%
_____ 75 to 100%

12. Is the commissary where you do your shopping often overcrowded?

_____ YES _____ NO

13. Are civilian grocery stores more conveniently located to your residence?

_____ YES _____ NO

14. Which would you prefer:

_____ The present commissary system, or

_____ An alternate system where commissaries would be closed and you would receive a monthly cash increase which would represent the savings previously provided by commissaries and be required to shop on the civilian economy.

15. What percent of your shopping do you do at the exchange during an average month?

_____ 0 to 25%

_____ 25 to 50%

_____ 50 to 75%

_____ 75 to 100%

16. Are comparable civilian retail stores more conveniently located to your residence than the closest exchange?

_____ YES

_____ NO

17. If the exchange system were discontinued, would your life-style be seriously affected?

_____ YES

_____ NO

Questions 18 through 21 concern military medical care.

18. Given the choice, which would you prefer for your dependents' medical care:

_____ Military facilities, or

_____ Civilian facilities

19. Are civilian medical facilities more conveniently located to your residence than the closest military facility?

_____ YES

_____ NO

20. Do you consider your present medical care:

☐ Suitable

☐ Unsuitable (check one or more)

☐ Distance to clinic

☐ Availability for appointments

☐ Quality of care

☐ Other _____

21. Which would you prefer for your medical care as an active duty member:

☐ The present military health system, or

☐ A system to provide civilian care at no cost, similar to the Blue Cross/Blue Shield coverage provided to employees of many corporations.

Questions 22 through 25 concern general compensation issues.

22. Do you think the present military compensation system is fair for both single and married military members?

☐ YES

☐ NO

23. Is it desirable to have non-monetary differences in the fringe benefits of officers and enlisted personnel, i.e., separate clubs, separate housing, separate parking spaces, etc....

☐ YES

☐ NO

24. Would you prefer a more flexible pay system where you could chose specific fringe benefits and take the remainder of your total compensation in cash over the present system?

☐ New system

☐ Present system

25. Which would you prefer:

- ☐ The present system of pay and allowances including benefits, commissaries, exchanges, or
- ☐ Straight salary where the value of the benefit package including the tax benefit would be added to your paycheck and each individual would have to provide for their own personal needs.

Please return the completed survey using the attached pre-addressed return envelope. Thank you.

Use this space for any additional comments.

LIST OF REFERENCES

1. Cooper, Richard V.L., Military Manpower and the All-Volunteer Force, A report prepared for the Defense Advanced Research Projects Agency, Rand Co., Sept. 1977.
2. Hackman & Suttle, Improving Life at Work - Behavioral Science Approaches to Organizational Change, Goodyear Publishing Company, Inc., 1977.
3. Yoder, Dale, Personnel Principles and Policies Modern Manpower Management, Prentice-Hall, 1959.
4. Nealey, Stanley M., "Pay and Benefit Preferences," Industrial Relations, Vol. 3, 1963.
5. Lawler, Edward E. III, Pay and Organizational Effectiveness: A Psychological View, McGraw-Hill, Inc., 1971.
6. Lawler, Edward E. III, Levin, Edward, "Union Officers' Perceptions of Members' Pay Preferences," Industrial and Labor Relations, Vol. 21, 1968.
7. Hall, Edward T., Beyond Culture, Anchor Books/Doubleday & Company Inc., 1976.
8. Levitan, Sar A., Alderman, Karen Cleary, Warriors At Work, Vol. 58, Sage Library of Social Research, Sage Publications, 1977.
9. Ross, S.G., Center for Naval Analysis Arlington Va., Institute of Naval Studies, "Comparisons of Military Compensation," Dec. 1976.
10. General Accounting Office, Report to the Congress, Military Compensation Should be Changed to Salary System: Department of Defense, Report No. - FPCD-77-20, 1 August 1977.
11. Report of the First Quadrennial Review of Military Compensation, Volume I Active Duty Compensation, "Modernizing Military Pay," U.S. Government Printing Office, 1 Nov. 1967.
12. Department of the Navy, Report of the Secretary of the Navy's Task Force on Navy/Marine Corp. Personnel Retention, Vol. IV, U.S. Government Printing Office, Jan. 1966.
13. Office of the Secretary of Defense, "Variable Housing Allowance Staff Research Paper," Third Quadrennial Review of Military Compensation Staff Studies and Selected Supporting Papers, Vol. 1, U.S. Government Printing Office, Jan. 1977.

14. Office of the Secretary of Defense, "Basic Allowance for Quarters and Government Furnished Quarters Research Paper," Third Quadrennial Review of Military Compensation, Staff Studies and Selected Supporting Papers, Vol. 1, Jan. 1977.
15. General Accounting Office, Report to the Congress, Military Commissaries: --Justification as Fringe Benefit Needed -- Consolidation Can Reduce Dependence on Appropriations, Report No. -FPCD-80-1, 9 Jan. 1980.
16. General Accounting Office, Report to the Congress, The Tax Status of Federal Resale Activities: Issues and Alternatives, Report No. -FPCD-79-19, 19 April 1979,
17. U.S. President's Commission on Military Compensation, U.S. President's Commission on Military Compensation Report Submitted to President Jimmy Carter, U.S. Government Printing Office, April 1978.

INITIAL DISTRIBUTION LIST

	No. Copies
1. Defense Technical Information Center Cameron Station Alexandria, Virginia 22314	2
2. Library, Code 0142 Naval Postgraduate School Monterey, California 93940	2
3. Assistant for Analysis, Evaluation (NMPC-6C) Human Resource Management & Personal Affairs Dept. Navy Military Personnel Command Washington, D.C. 20370	1
4. Director, Human Resource Management Division (NMPC-62) Human Resource Management & Personal Affairs Dept. Navy Military Personnel Command Washington, D.C. 20370	1
5. Director for HRM Plans and Policy (OP-150) Human Resource Management Division Deputy Chief of Naval Operations (Manpower, Personnel & Training) Washington, D.C. 20370	1
6. Commanding Officer Human Resource Management School Naval Air Station Memphis Millington, Tennessee 38054	1
7. Commanding Officer Human Resource Management Center London Box 23 FPO, New York 09510	1
8. Commanding Officer Human Resource Management Center 5621-23 Tidewater Drive Norfolk, Virginia 23509	1
9. Commanding Officer Human Resource Management Center Pearl Harbor, Hawaii 96860	1
10. Commanding Officer Human Resource Management Center Naval Training Center San Diego, California 92133	1

11. Commanding Officer 1
Organizational Effectiveness Center & School
Fort Ord, California 93941
12. Commanding Officer 1
Human Resource Management Center
Commonwealth Building, Room 1144
1300 Wilson Blvd.
Arlington, Virginia 22209
13. Lt. G.K. Sooy 2
4386 Hillview Drive
Pittsburg, California 94565
14. Department Chairman, Code 54 1
Department of Administrative Science
Naval Postgraduate School
Monterey, California 93940
15. Professor R. McGonigal, Code 54 MB 1
Department of Administrative Science
Naval Postgraduate School
Monterey, California 93940
16. Professor R. Harris, Code 54 HE 1
Department of Administrative Science
Naval Postgraduate School
Monterey, California 93940
17. Professor G. Thomas, Code 54 TE 1
Department of Administrative Science
Naval Postgraduate School
Monterey, California 93940
18. Commandant (G-PTE) 2
U.S. Coast Guard Headquarters
Washington, D.C. 20590

